BC Housing
ANNUAL REPORT
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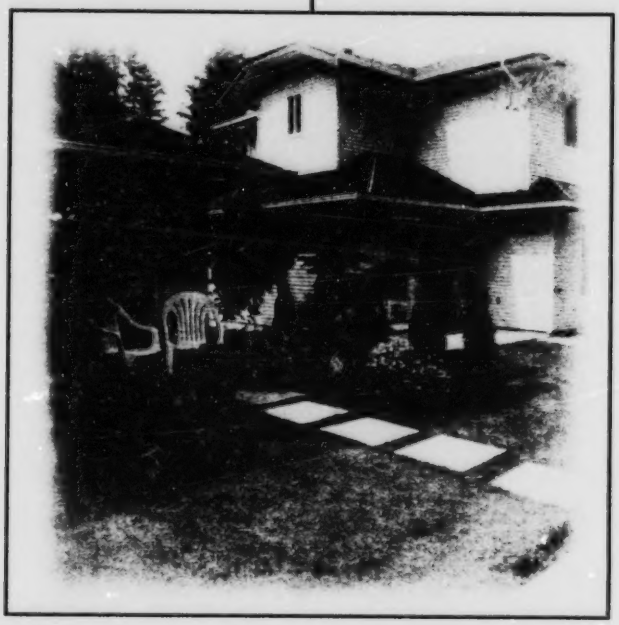


LETTERS OF PRESENTATION

June 28, 2001

The Honourable Garde B. Gardom
Lieutenant-Governor of the Province of British Columbia

May it please Your Honour:

It is my pleasure to table the Annual Report for the British Columbia Housing Management Commission for the last full fiscal year of the previous administration ending March 31, 2001, fulfilling my obligation as the current Minister responsible.

Sincerely,

George Abbott

George Abbott
Minister of Community, Aboriginal and Women's Services

LETTERS OF PRESENTATION

June 28, 2001

George Abbott
Minister of Community, Aboriginal and Women's Services
Province of British Columbia

Minister:

I have the honour to submit for your approval the Annual Report of the British Columbia Housing Management Commission for the year ending March 31, 2001.

Sincerely,

Jim O'Dea

Jim O'Dea
Chair, Board of Commissioners

Jim O'Dea

CHAIR'S MESSAGE

This year was marked by fresh thinking and a renewed enthusiasm for meeting the increasingly complex housing needs of British Columbians through a growing diversity of activities.

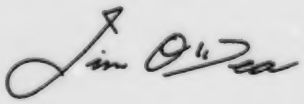
A few years ago, BC Housing's Board of Commissioners began to weave together the themes that have been core to BC Housing's history and will be core in the future: our values, our staff, our tenants, our partners and our communities. The challenge has been to take the principles outlined in our corporate plan and implement them in a way that is open to new ideas, innovation and creativity. However, while we may be doing new things in new ways, the values of home, dignity and community that underpin BC Housing remain unchanged.

I was delighted this year to be involved in the opening of several new non-profit and co-operative housing developments. Each of these new developments gives people a safe haven, a sense of hope and the confidence to build a successful future for themselves and their families. This is what we all work for.

These developments are only possible because of the dedicated efforts of the affordable housing sector and our partners in the community, industry and government. It is one of the greatest strengths of the affordable housing sector that together we can appropriately respond to the needs of different individuals and communities with flexibility and understanding.

At BC Housing we know that our accountability does not stop with a review of our books or a count of the number of housing units that we build or manage. It's about continually questioning and calling into account the performance of the entire organization. Only in this way will we be able to ensure that the organization is achieving and maintaining the high standards of integrity, quality and competence. And I believe that we have been successful in achieving what we set out to do.

As 2001 unfolds, we will continue to watch for what may lie ahead - obstacles and opportunities. And by listening to our partners and staff, we will be ready to respond.



Jim O'Dea
Chair, Board of Commissioners

Shayne Ramsay

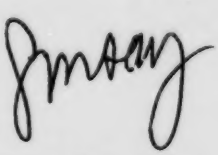
CEO'S MESSAGE

This year innovation through new partnerships was a major focus for BC Housing. We worked with a number of health boards around the province as partners in affordable housing, as well as entered into the first-ever memorandum of understanding (MOU) with the City of Vancouver and the Vancouver/Richmond Health Board regarding the development of new supported affordable housing in Vancouver. The MOU enables us to take a co-ordinated approach to delivering housing and other services, and make the best use of the funding and resources available from all three organizations. As we take on challenges such as the redevelopment of the Woodward's building and plan to rehabilitate and redevelop other housing stock around the province, public-private partnerships are key.

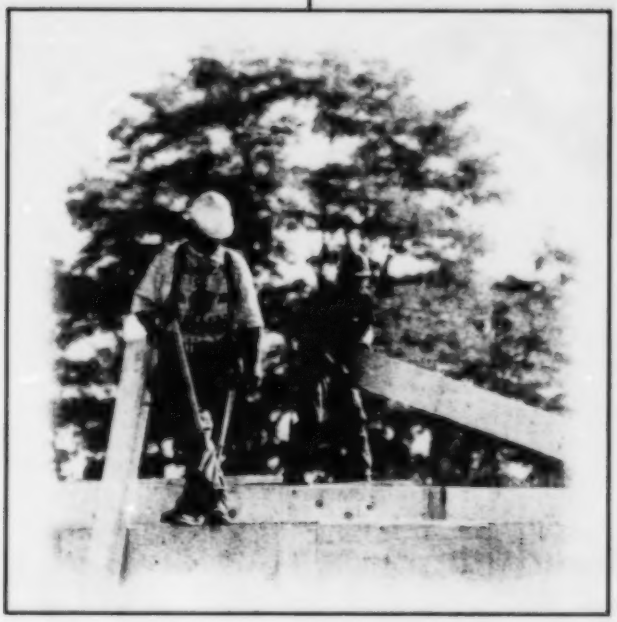
Two new areas of development this year are supportive housing for seniors and multi-service housing developments for individuals making the transition from being homeless to having permanent housing. Initiatives that combine housing with other services contribute to overall cost-savings in the province's health care and social assistance systems, and so in working with health boards, partners and other services agencies across the province, we are expanding the range of housing options for some of British Columbia's most vulnerable citizens. For the first time, these forms of housing were part of the HOMES BC program.

BC Housing was also active in research and education. We supported ongoing research into homelessness and housing need, as well as building construction practices designed to improve the overall quality of housing in the province. Some of our partners over the past year include the Main & Hastings Community Development Society, the Tenants' Rights Action Coalition, the Homeowner Protection Office, Canada Mortgage and Housing Corporation, the Canadian Home Builders' Association of BC, the Greater Vancouver Home Builders' Association and the Urban Development Institute, and other private industry partners.

This year we continued to build our skills at delivering affordable housing as a cost-effective, accountable organization. I am proud to recognize the staff expertise and professionalism that set BC Housing apart as a responsive, efficient and flexible organization.



Shayne Ramsay
Chief Executive Officer



STRATEGIC FOUNDATION

OUR CORE VALUES

Home

Dignity

Community

OUR VISION

Working together to create homes, choices and healthy communities

OUR GUIDING PRINCIPLES

Building alliances and partnerships

Respecting community leadership and expertise

Protecting the public investment in social housing

Community participation

Respect and responsiveness

Creativity, flexibility, innovation and teamwork

Respecting the diversity of people and ideas

Maintaining the highest standards of integrity, quality and competence

CORPORATE OVERVIEW

BC Housing's Mandate

The British Columbia Housing Management Commission (BC Housing) was created in 1967 through an Order in Council under the *Housing Act* to fulfil the government's commitment to affordable housing through the development, administration and management of social housing across the province. BC Housing is responsible for implementing the provincial government's housing programs and plays a key role in promoting the province's affordable housing strategy.

BC Housing's mandate is to facilitate the provision of secure, well-managed, affordable housing.

In fulfilling this mandate, BC Housing is responsible for:

- working with non-profit societies, housing co-operatives, the private sector, provincial ministries and other levels of government in creating a broad range of housing options;
- providing direct management for approximately 7,800 units of public housing;
- administering operating agreements and managing the flow of subsidies to non-profit housing providers and housing co-operatives across the province which, in turn, are responsible for managing more than 26,600 units of social housing built under a mix of federal-provincial and wholly provincial programs;
- working with other ministries to provide management support for group homes and special needs residences, as well as co-ordinating the development of new group homes and other special needs housing facilities on behalf of other provincial ministries;
- carrying out research and education including technical studies and research in the area of building sciences as well as research into emerging housing needs and strategies to better meet these needs;
- maintaining an applicant registry and allocating housing according to applicant need and the availability of suitable accommodation; and
- delivering targeted rent supplement programs and other housing assistance to families and individuals living in housing in the private rental market. This includes the

Shelter Aid for Elderly Renters (SAFER) program, which provides rent assistance to seniors, as well as the Supported Independent Living (SIL) program, funded by the Ministry of Health, which provides rental support to individuals with chronic and persistent mental illness.

Organizational Overview

The chart below provides an overview of BC Housing's organizational structure and identifies the primary areas of responsibility/accountability.

Board of Commissioners

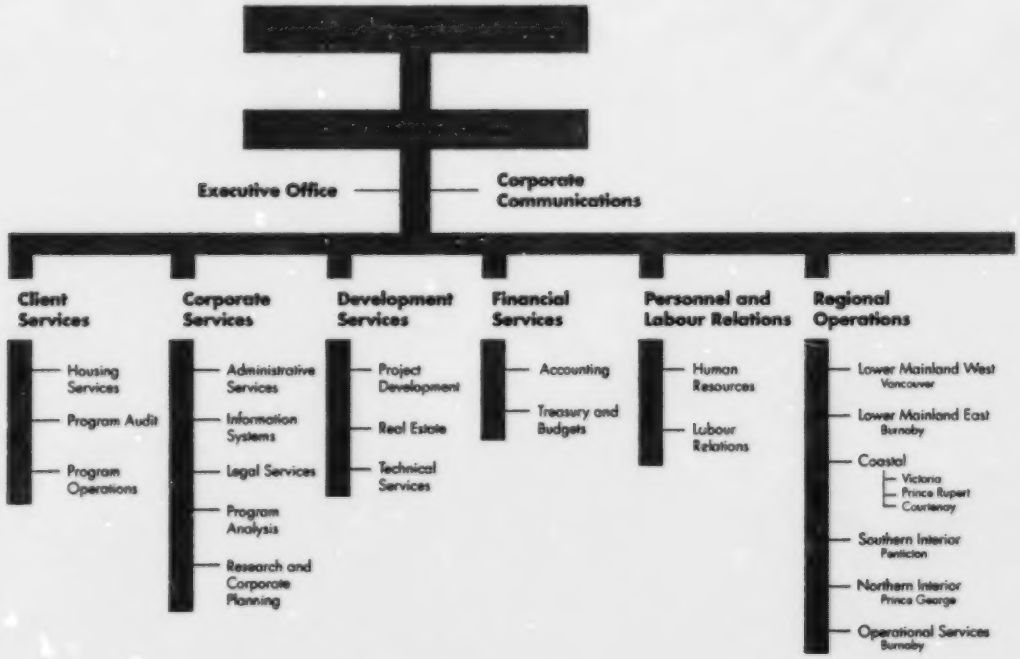
BC Housing is governed by a Board of Commissioners appointed by Order-in-Council. The Board of Commissioners is responsible for managing the affairs of BC Housing in a manner consistent with the powers established under the *British Columbia Housing Management Commission Regulation*. As of March 31, 2001, the Board of Commissioners was comprised of 16 members including a full-time Chair.

Chair

The Chair is responsible for providing effective leadership and for ensuring that the Board fulfills its duties and responsibilities. The Chair represents the Board in its accountability relationship with the Minister and serves as a liaison between BC Housing and the Government of British Columbia, as well as other key stakeholders.

Chief Executive Officer

The Chief Executive Officer is responsible for ensuring that BC Housing delivers high-quality services and programs that are responsive to client needs. In addition to the overall administrative responsibility for the staff and operations of BC Housing, the CEO works closely with both the Chair and the Board of Commissioners to implement policies and strategic initiatives. The office of the CEO includes the Executive Office and Corporate Communications.



Client Services

Client Services works with applicants, tenants, advocacy groups as well as BC Housing's non-profit and co-operative housing partners. Client Services is responsible for maintaining an applicant registry and allocating housing in BC Housing's directly managed portfolio. Client Services also delivers rent subsidy programs including SAFER, SIL and the Priority Placement Program and provides administrative and financial support to the non-profit and co-op housing sectors and the Provincial Rental Housing Corporation (PRHC) group home portfolio. Administration of the Tenant Association Grant program, the BC Housing Bursary Program, and support for the Regional Housing Centres funded under the Community Housing Initiatives (CHI) program is also provided by this branch.

Corporate Services

The Corporate Services branch provides specialized expertise and services to all branches across the organization to ensure the efficient delivery of BC Housing's programs and services. Corporate Services includes purchasing, information systems, legal services, research and corporate planning, administrative services, program analysis and records management.

Development Services

The Development Services branch works in partnership with non-profit societies and housing co-ops across the province to deliver a range of affordable housing options. Staff in Development Services also work with municipalities, other levels of government, the private sector and other agencies including local health authorities to facilitate the development of affordable housing options. This includes the development of group homes and other supportive housing arrangements including multi-service and second stage housing, supportive seniors housing and housing for individuals who are homeless or at risk of homelessness. Development Services includes real estate services, technical services and project co-ordination.

Financial Services

The Financial Services branch oversees the financial activities across BC Housing and the PRHC. This includes construction financing, investment, budgeting, accounting, payroll and mortgage administration.

Regional Operations

Regional Operations is responsible for the direct management of approximately 7,800 units of public housing across the province as well as the administration of group homes on behalf of other ministries. Regional Operations also delivers a range of services to support tenants and tenant communities. This includes ongoing support for the work of the Public Housing Advisory Council as well as the co-ordination of the delivery of the BC Housing Health Services Program. It also includes the delivery of a number of tenant-focused programs including People, Plants and Homes (PPH), the Student Tenant Employment Program (STEP) and emergency preparedness training. In addition, Regional Operations staff provide administrative and technical support to non-profit and co-op housing providers.

Personnel and Labour Relations

Personnel and Labour Relations ensures that there are enough staff with the necessary skills to meet BC Housing's short-term and long-term objectives. Personnel and Labour Relations is responsible for staff recruitment and training, labour relations, negotiations, compensation, job evaluation, benefits management, employment equity, multiculturalism and occupational health and safety.

Provincial Rental Housing Corporation (PRHC)

PRHC is the corporation that owns land and buildings for provincially owned social housing. BC Housing administers PRHC, which buys, holds and disposes of real property and which leases residential properties to non-profit societies and housing co-operatives for housing developments.

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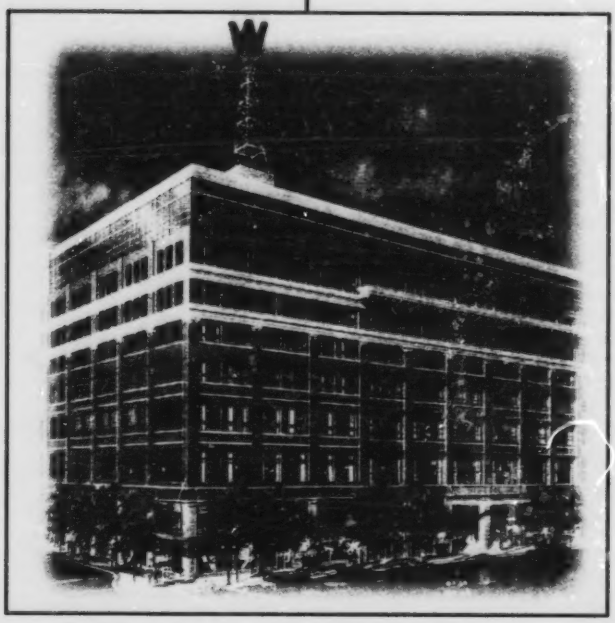

BUSINESS REVIEW

Given its dominant and essential role in everyday life, housing plays a critical and fundamental role in the health and well-being of individuals and communities.

For many British Columbians, finding and retaining an affordable and decent place to call home has become increasingly difficult, particularly for low-income households. Almost half of all renters now pay 30 per cent or more of their income on housing, and almost one in four pays 50 per cent or more.

At BC Housing, we believe that housing is both a fundamental right and a critical determinant from which families and individuals can build healthy, stable and productive lives. With this in mind, BC Housing and its partners have created a comprehensive response to provide access to affordable housing for those in the greatest need.

BC Housing's programs and services reflect a multi-faceted approach to the delivery of housing options to respond to the diversity of needs that exist. This includes:

- facilitating an increased supply of affordable housing where it is most needed, through locally based non-profit and co-operative housing providers;
- providing access to well-maintained public housing; and
- promoting wider access to existing private rental housing through rent assistance and other programs.

Through an innovative and flexible approach these strategies provide affordable housing in response to demonstrated needs throughout the province.

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In March 2001, the former Woodward's department store was acquired by BC Housing.

Once refurbished, the landmark building will blend up to 275 affordable housing units with commercial and retail space owned and managed by the private sector. One concept for the redevelopment is pictured above.

This historic site will provide the community with much needed housing that is safe, secure and affordable. It will anchor positive social and economic development in Vancouver's Downtown Eastside.

A Comprehensive Program

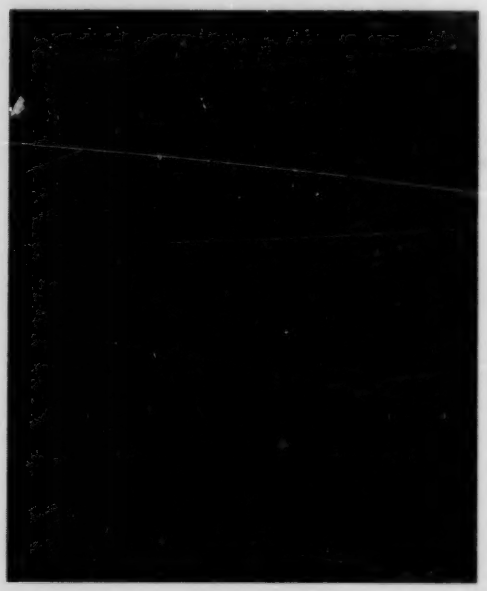
Locally based housing solutions

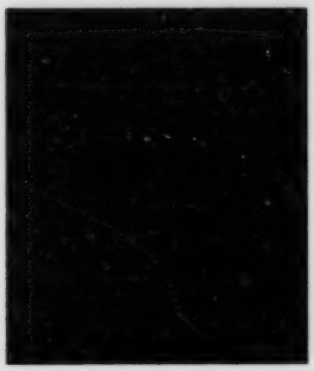
Through HOMES BC, the province's comprehensive housing program, BC Housing works closely with the public, private, non-profit and co-op housing sectors to put in place strategies and solutions that make a positive contribution to the quality of life for individuals and families across the province.

There are many individuals in society who face significant housing challenges: women, often with young children, fleeing abuse; people with physical disabilities; people experiencing chronic and/or concurrent physical or mental illness; those who are homeless or at risk of becoming homeless. A continuum of housing and support options is necessary to effectively respond to the needs of these individuals and allow them to retain or regain their independence.

In 1999, the HOMES BC program was expanded to respond to an even wider range of housing needs encompassing housing for families and independent seniors as well as integrated housing and support strategies that bring together partners with experience and expertise in responding to particular housing and support needs. This includes the development of housing for aging seniors as well as housing that focuses on low-income singles and those who have a history of housing instability or homelessness. The goal is to promote the physical, economic, social and mental well-being of tenants and tenant communities.

Through both the process and outcome of innovation we have been able to establish a program that leverages fresh insight from existing situations and knowledge to create effective long term and permanent housing solutions that recognize and respond to individual needs. The result is a program that has evolved to be increasingly flexible and responsive to local needs — one that has resulted in about 7,000 units being created since its inception in 1994.



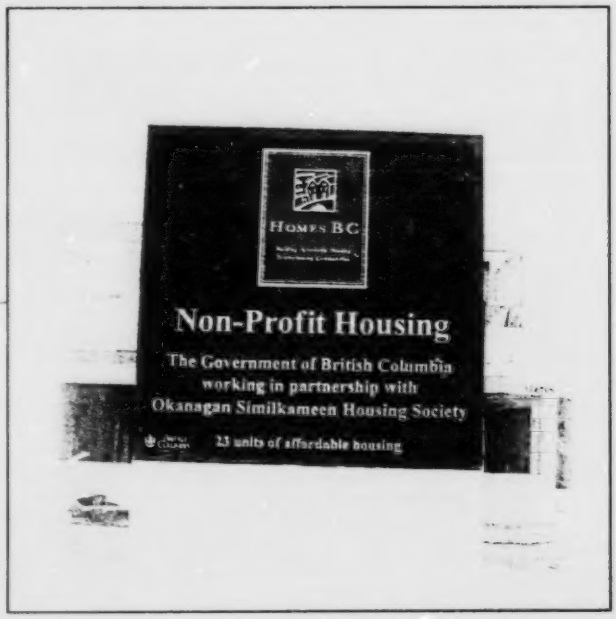


British Columbia continues to be one of only two provinces in Canada to maintain a commitment to the development of social housing through a comprehensive housing program. The success of this program relies on a flexible approach and an increasing focus on partnerships and strategies that leverage additional resources. Under the 1999-2000 HOMES BC program, over $40 million in grants, equity contributions and other donations were generated to facilitate the creation of a broadened range of housing options.

BC Housing has also been successful in bringing together partners with diverse backgrounds who have the experience and expertise to deliver complementary support services. Each partnership initiative provides greater flexibility in responding to specific housing needs alongside cost-effective alternatives ranging from emergency/crisis housing combined with permanent housing to integrated housing and support strategies that respond to the needs of individuals and families who are homeless or at risk of homelessness.

BC Housing's work in the development of supportive seniors' housing in partnership with local health authorities reflects what can be accomplished by working together. Over the past year, 527 units of supportive seniors' housing to be delivered across the province received provisional project approval. This is housing that reflects a fundamental shift away from institutional settings such as residential care and is designed to enable low-income seniors to continue to live independently in their communities as long as possible with the appropriate supports. This housing incorporates support services such as housekeeping, emergency monitoring and response, recreational activities, meal services and laundry.

Studies indicate significant cost savings are possible through supportive housing. More importantly, research has shown that integrated housing and support strategies better meet individual needs and result in beneficial health outcomes such as reduced hospitalization.



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There are many individuals in society who face significant housing challenges: women, often with young children, fleeing abuse; people with physical disabilities; people experiencing chronic and/or concurrent physical or mental illness; those who are homeless or at risk of becoming homeless. A continuum of housing and support options is necessary to effectively respond to the needs of these individuals and allow them to retain or regain their independence.

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Through both the process and outcome of innovation we have been able to establish a program that leverages fresh insight from existing situations and knowledge to create effective long term and permanent housing solutions that recognize and respond to individual needs. The result is a program that has evolved to be increasingly flexible and responsive to local needs — one that has resulted in about 7,000 units being created since its inception in 1994.

People with AIDS will have more privacy and a place to call their own with the development of 24 new housing suites for the Dr. Peter Centre.

The Dr. Peter AIDS Foundation received funding through the HOMES BC program for approximately $2 million to develop the centre.

Other partners include the City of Vancouver, which provided a site in the Mole Hill neighbourhood, the Ministry of Health and the Vancouver/Richmond Health Board. In addition, The Dr. Peter AIDS Foundation is in the process of raising up to $2 million from private and other sector supporters to be used towards the development of the centre.

A province-wide poll by Ipsos-Reid for the Tenants' Rights Action Coalition showed that 83 per cent of those who responded support government involvement in the development of housing for low-income households.

British Columbia continues to be one of only two provinces in Canada to maintain a commitment to the development of social housing through a comprehensive housing program. The success of this program relies on a flexible approach and an increasing focus on partnerships and strategies that leverage additional resources. Under the 1999-2000 HOMES BC program, over $40 million in grants, equity contributions and other donations were generated to facilitate the creation of a broadened range of housing options.

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Studies indicate significant cost savings are possible through supportive housing. More importantly, research has shown that integrated housing and support strategies better meet individual needs and result in beneficial health outcomes such as reduced hospitalization.

Studies indicate that the average cost of health and social services, policing and crisis shelters range from $82 to $110 per day for each person who is homeless. In comparison, the cost to provide supportive housing for individuals who were formerly homeless ranges from $60 to $77 per day.

Other strategies being explored in response to emerging housing needs include innovative models like the "Campus of Care." In this model, independent and supported seniors' housing is co-located with other facilities such as intermediate care.

Well-maintained public housing

The existing inventory of approximately 7,800 units of directly managed public housing is critical to our ongoing ability to provide affordable housing alternatives. The developments that BC Housing manages are not only important to the individuals who live in them, but they also represent an important investment in communities across the province.

As one of the province's largest landlords, the Board and staff of BC Housing recognize their responsibility to provide access to efficiently managed housing that takes into account the needs of residents. Each directly managed development is a unique community. Tenants and tenant groups play a central role in shaping and improving both their homes and their communities. BC Housing helps to build and facilitate strong tenant communities by delivering a range of programs and initiatives to enhance the quality of life for tenants living in social housing.

Rent supplements targeted to individuals living in private rental housing

BC Housing's rent supplement programs such as SAFER (Shelter Aid for Elderly Renters) and SIL (Supported Independent Living) as well as the recently announced 2001 HOMES BC rent supplement program provide individuals with access to viable private market housing alternatives.

More than 16,000 households and individuals receive assistance under a mix of programs. Rent assistance is targeted to groups who experience difficulty finding affordable and appropriate housing in the private rental market. These groups include seniors, women and children fleeing abuse, persons with disabilities, individuals

diagnosed with a mental illness, people with HIV/AIDS and larger families.

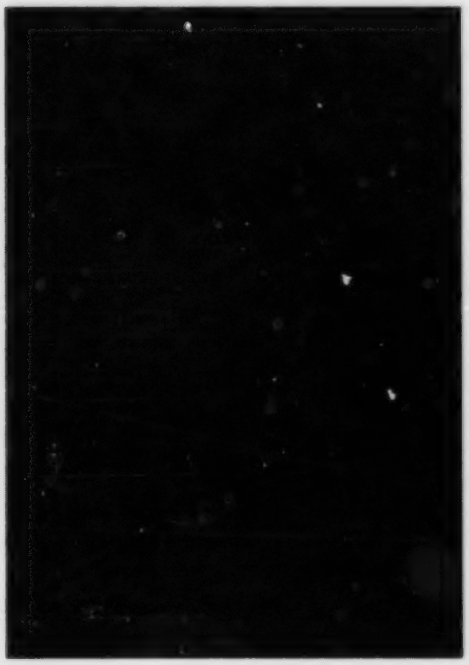
The combination of rent supplements and the supply of affordable housing gives BC Housing the flexibility to work with community groups to tailor strategies that are responsive to local needs.

Partnerships are Key

The importance of long-established partnerships should not be overlooked. It is through the work of community groups, local health authorities, other public agencies, municipalities and the private sector that we are able to create healthy, active and inclusive communities.

We are seeing the need for more complex partnership structures and a greater diversification in activities in order to effectively respond to changing and emerging needs. At the same time, we have seen clearly what can be accomplished when we unite behind a common purpose in a manner that respects and values the expertise that exists at the local level and that draws upon a wide range of resources both public and private.

Over the past year considerable energy has gone into building and strengthening existing partnerships with the non-profit and co-op housing sectors as well as the private sector.



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Over the past year considerable energy has gone into building and strengthening existing partnerships with the non-profit and co-op housing sectors as well as the private sector.

Respect for autonomy played a major role in the province's recent decision to approve in principle the transfer of its 300-unit provincially administered aboriginal housing portfolio to the Aboriginal Housing Management Association (AHMA). This was done in the spirit of enterprise and community, and in recognition of the importance of aboriginal self-direction and self-governance. Once agreement has been reached on federal devolution, an additional 3,000 units of social housing will be transferred.

Partners in *Affordable Housing Week* included:

- the BC Non-Profit Housing Association;
- Canada Mortgage and Housing Corporation;
- the City of Vancouver;
- the Co-operative Housing Federation of BC;
- the Greater Vancouver Housing Corporation;
- the Greater Vancouver Home Builders' Association;
- the Urban Development Institute;
- nine Regional Housing Centres funded under the Community Housing Initiatives program; and
- BC Housing.

BC Housing's research and education initiatives have earned the organization a reputation for innovation in housing research. This is a result of a continuous program of research and education into housing need, emerging issues such as homelessness, and research and education in the building sciences, including the design, construction and maintenance of appropriate building envelopes.

In consultation with the affordable housing sector, efficiency changes were introduced, including the simplification of the rent calculation process as well as a one per cent reduction in manageable costs. In addition, the current replacement reserve funding formulas were reviewed in order to ensure that funding levels were adequate.

In carrying out these changes BC Housing tried to optimize the balance between achieving cost savings and preserving and maintaining assets over the longer term. Throughout this process we were committed to the autonomy and expertise of individual housing providers.

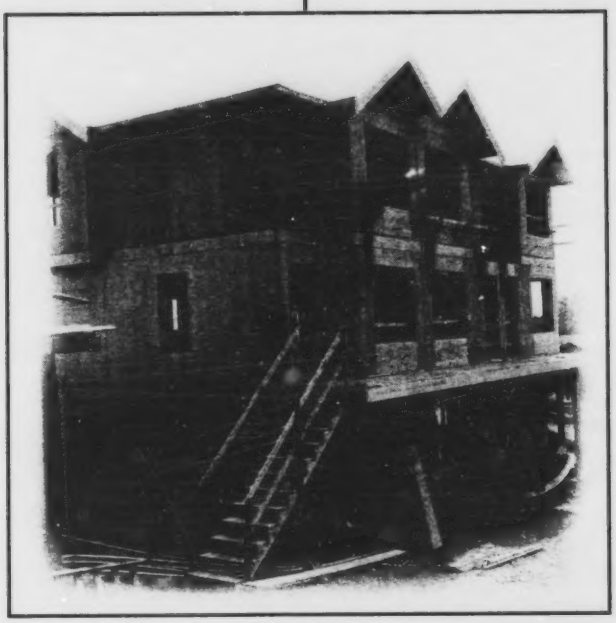
Other types of partnership initiatives include the first-ever *Affordable Housing Week*, launched in October 2000. Through *Affordable Housing Week*, BC Housing and its partners drew attention to the diverse housing needs that exist across the province and focused a spotlight on the teamwork and strategies that create effective housing solutions.

BC Housing is also active in research of and education about affordable housing options and building construction practices designed to improve the overall quality of housing in the province. Partners in these endeavours include the Homeowner Protection Office, Canada Mortgage and Housing Corporation, the Canadian Home Builders' Association of BC and the Urban Development Institute and other private industry partners.

These initiatives bring housing organizations and the construction industry together in ways that both strengthen the sector and encourage an innovative approach to the construction of new affordable housing.

Contribution of Staff

To a large extent, BC Housing's success comes from the recognition that the work that we do reaches far beyond the development and management of social housing. It is about staff commitment. BC Housing staff respond professionally and creatively by looking for innovative ways to continue to meet emerging needs. At BC Housing, we have and maintain an organizational culture based on the values embodied in *home, dignity and community*.

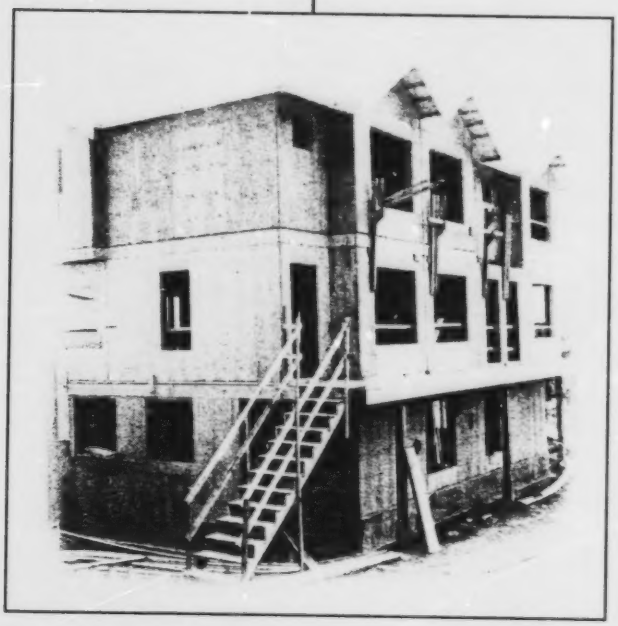


CORPORATE PRIORITIES

This section highlights BC Housing's key priorities for 2000-2001 and some of the major strategies and initiatives that helped us move forward on these priorities.

Increased affordable housing

In today's society many renters cannot access suitable and affordable housing. One of BC Housing's key priorities is to work with housing providers, communities and other partners to increase the supply of affordable housing. In the past year BC Housing has made significant progress in meeting this goal, completing 1,019 units and provisionally approving another 1,191 units through the HOMES BC program. This represents 55 developments in 33 communities across the province.



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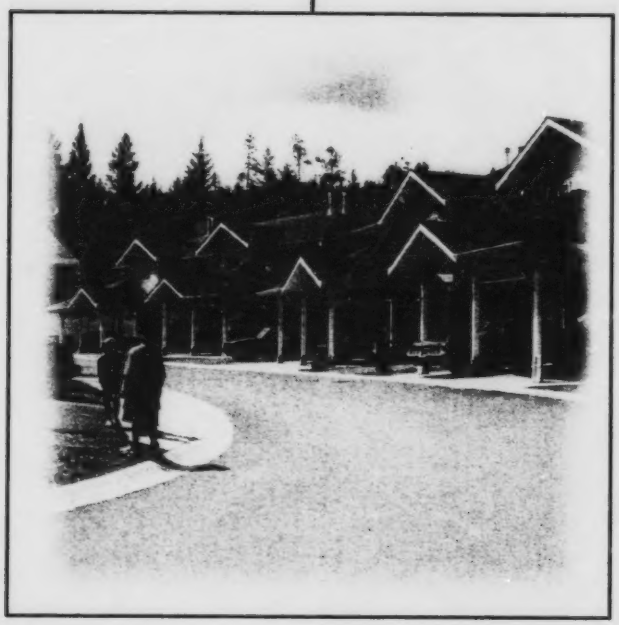
Need and demand

- The standard definition of affordability suggests that rent levels should not exceed 30 per cent of gross household income. However, almost half of all renters in British Columbia pay more than that.
- Almost one in four renters pays 50 per cent or more of their income on rent. These households face extreme affordability challenges and are at the highest risk of becoming homeless.
- Based on the 1996 census, single person households, women, youth, and single parent families were among those most affected by lack of access to housing that meets their needs and that is affordable.



To ensure value for money, BC Housing employs strong evaluation criteria when reviewing proposals for funding. Successful projects under the HOMES BC program must respond to local need and demand for new affordable housing, feature good design and involve other partners wherever possible. Partners bring local expertise, and often additional resources, allowing us to expand the supply of units beyond what would be possible with only provincial government funding.

By working with local service providers BC Housing can put in place strategies that provide a continuum of housing and support options. This includes co-locating supportive housing and intermediate care housing for aging seniors, as well as introducing multi-service housing to better respond to the needs of those who are homeless.

One such partnership initiative is the Memorandum of Understanding (MOU) between BC Housing, the City of Vancouver and the Vancouver/Richmond Health Board. The MOU creates a continuum of housing and support options including supportive seniors housing as well as a mix of short-stay beds and long-term housing to assist individuals in the transition from being homeless to having permanent housing. Currently the MOU covers seven developments.

Changes to BC Housing's land policy and BC Housing's redevelopment and regeneration policy have created greater flexibility and expanded the existing supply of affordable housing. BC Housing's land policy supports a range of ownership options to promote the creation of housing without additional government funding. In making changes to the land policy, the goal was to promote the long-term independence and self sustainability of non-profit and co-op housing sectors by providing the ability to acquire and leverage existing assets to create additional housing. The policy is also designed to ensure that housing assets (land and buildings) continue to be used to meet the ongoing need for affordable housing in communities across the province.

The redevelopment and regeneration policy passed this year provides BC Housing with the ability to use existing resources in a way that will not only increase the supply of affordable rental housing but will also better respond to the changing needs of tenants living in social housing.

Well-managed, sustainable existing housing

In the context of managing existing housing, and preserving it for future use, BC Housing provides:

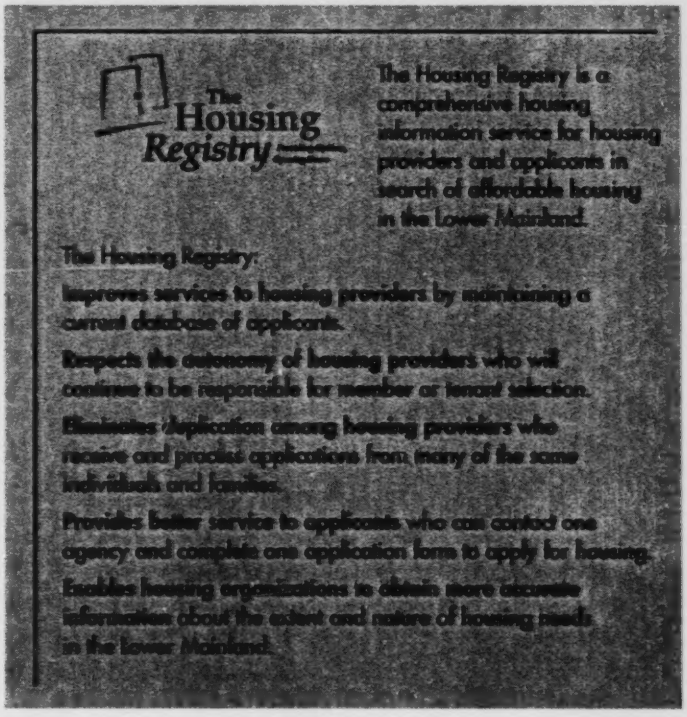
- financial, administrative and technical assistance to non-profit and co-op housing providers, responsible for the management of more than 26,600 units of affordable housing, funded under a mix of programs;
- access to our directly managed portfolio and management of group homes on behalf of other ministries; and
- rent assistance to low-income families and individuals with specific needs living in private rental housing.

BC Housing is also responsible for maintaining an applicant registry and allocating housing according to need and the availability of suitable accommodation. As of March 31, 2001, BC Housing's applicant registry included more than 8,886 households. In addition, staff in Housing Services responded to an average of 5,932 inquires and processed an average of 357 new housing applications each month – all indicators which speak to the need for affordable housing.

Over the past year BC Housing has worked in collaboration with non-profit and co-op housing providers to create The Housing Registry — a comprehensive housing information service for housing providers and applicants. The Housing Registry acts as a single point of contact for applicants in the Lower Mainland seeking affordable housing. Over the past year, the prototype Internet software for The Housing Registry was developed and tested and a marketing strategy was created. It is anticipated that The Housing Registry will be fully operational by November 2001.

Another goal under this priority is the development of a long-term strategy for preserving and maintaining the aging social housing portfolio and for enhancing the quality of life for tenants living in BC Housing's directly managed units. This year, in collaboration with the Board of Commissioners' Redevelopment Committee and in consultation with our housing partners, a redevelopment and regeneration policy was developed. The policy is designed to improve the quality of life for residents living in older social housing developments and to put into place strategies for replacing or rehabilitating the existing social housing portfolio. This policy, which is currently being implemented on a number of sites, provides a cost-effective alternative for increasing the number of units that are available and creates the potential for private-public partnerships.

Looking for opportunities to better respond to emerging housing needs through the existing social housing portfolio has also been an important area of emphasis. This has included the redevelopment and regeneration of existing seniors' housing developments to better respond to the changing needs of aging seniors as well as the delivery of the BC Housing Health Services Program, which provides access to social housing for those who have been diagnosed with a mental illness. This year BC Housing also introduced a pilot project in partnership with the Vancouver/Richmond Health Board to provide access to stable housing for individuals in recovery who have successfully completed the initial phases of addictions treatment. To date 15 units have been allocated for this pilot initiative.


The Housing Registry
The Housing Registry is a comprehensive housing information service for housing providers and applicants in search of affordable housing in the Lower Mainland.
The Housing Registry:
Improves services to housing providers by maintaining a current database of applicants.
Respects the autonomy of housing providers who will continue to be responsible for member or tenant selection.
Eliminates duplication among housing providers who receive and process applications from many of the same individuals and families.
Provides better service to applicants who can contact one agency and complete one application form to apply for housing.
Enables housing organizations to obtain more accurate information about the extent and nature of housing needs in the Lower Mainland.

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Looking for new opportunities and new strategies to allow us to continue to meet our goal will remain an important organizational objective over the coming year.

Healthy, active and inclusive communities

Housing is more than "bricks and mortar" — it is about people, homes and the creation of healthy communities. As a landlord of more than 7,500 units of social housing across the province, BC Housing plays an integral role in fostering healthy, active and inclusive communities. A key to this work is our support for the Public Housing Advisory Council as well as tenant activities at the community level.

BC Housing's commitment to this corporate priority is embodied in a comprehensive community development and tenant involvement policy. We support programs, services and volunteer opportunities that promote the social, economic and physical well-being of tenants. Examples include the People, Plants and Homes program (PPH); the Student Tenant Employment Program (STEP); the Bursary Program, the annual Tenant Conference, and the Tenant Association Grant program.

This policy also recognizes the importance of tenant involvement in terms of guiding and strengthening BC Housing's decision-making processes to ensure it is more reflective of tenant needs. An expression of this commitment is the newly created *Community Resource Directory* that was developed over the past year in partnership with the Public Housing Advisory Council. The directory profiles more than 200 programs and resources and helps build partnerships with the broader community.

Overall, these strategies help enhance the skills, education and volunteer opportunities for tenants, thereby enhancing the quality of life for those living in social housing.

The following principles form the foundation of BC Housing's community development/tenant involvement policy:

- **A commitment to ensuring that tenants have the right to make a contribution to, and share their talents with, their communities;**
- **A commitment to building skills and fostering local decision making;**
- **An understanding that open, clear and respectful communication is essential for meaningful participation by tenants, staff and the community;**
- **An acceptance that tenants are best placed to decide what level and what type of participation is right for them;**
- **The provision of a diverse range of programs, services and volunteer opportunities that support the participation choices of tenants; and**
- **A recognition that linking staff, tenants and community agencies is essential in creating solutions and making changes.**

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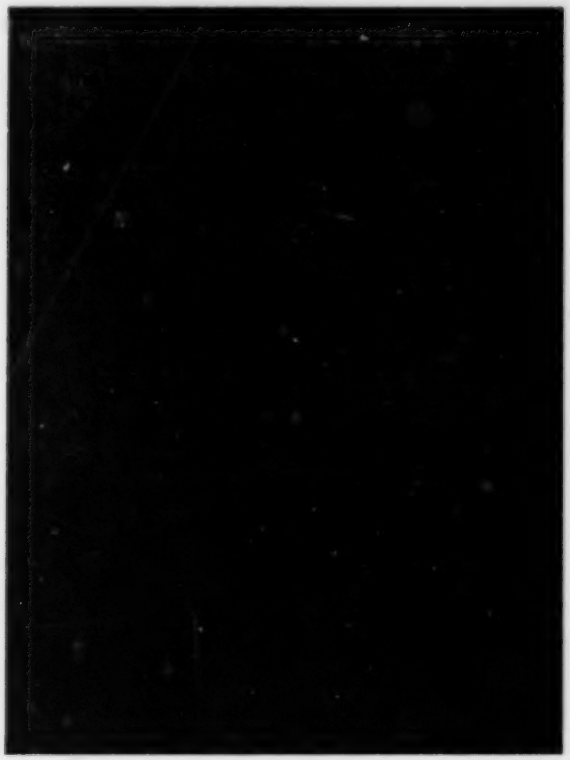

The Public Housing Advisory Council (PHAC)

A group of elected volunteer representatives from across the province who are working toward the vision of self-determined communities with a strong support structure and suitable facilities where everyone cares for each other and shows respect.

People, Plants and Homes

A program for tenants living in BC Housing's directly managed portfolio designed to encourage involvement in urban gardening and activities that build community and a sense of home.

Student Tenant Employment Program (STEP)

STEP increases the employability of youth living in BC Housing developments and is designed to develop skills as well as build confidence and self-esteem.

BC Housing Bursary Program

In 2000-2001, 47 bursaries of $750 each were awarded to adult students and youth living in social housing who are pursuing higher education.

Tenant Association Grant (TAG)

TAG supports community building programs and activities in public housing communities.

Tenant Conference

The Tenant Conference brings tenants from around the province together to participate in networking opportunities that encourage dialogue on current and emerging tenant issues.

Increased public awareness and political support

BC Housing employs a broad range of strategies to break down barriers and negative attitudes about those who live in social housing, and promote political support.

The Regional Housing Centres funded under the Community Housing Initiatives program have an important role to play in this regard. Since the program was first created in 1994, the Regional Housing Centres have provided information to the public on major housing issues and challenges and have advocated for the preservation and expansion of the stock of affordable housing.

Political support is demonstrated through the commitment our municipal partners have shown to developing affordable housing. Under the 1999-2000 HOMES BC program, 17 municipalities or local governments contributed almost $32 million in land or equity or other contributions to the development of affordable housing. These contributions give BC Housing the ability to build a greater number of affordable housing units with the same amount of provincial funding.

In order to create a better understanding of the need for, and benefits of, social housing, BC Housing organized the province's first-ever *Affordable Housing Week* in October 2000. A wide range of partners in the public, private, non-profit and co-op housing sectors helped make this initiative a success.

Activities and events that took place during *Affordable Housing Week* included a comprehensive newspaper supplement partially sponsored by *The Vancouver Sun*, articles highlighting affordable housing in the Lower Mainland's *Real Estate Weekly* and promotional coverage on Knowledge Network and myBC.com.

A post-event telephone poll commissioned by BC Housing with *The Vancouver Sun* showed that 55 per cent of 500 Vancouver Sun subscribers who were surveyed were aware of *Affordable Housing Week* and 88 per cent support the provision of social housing for low-income households.

Affordable Housing Week has won four communications awards: two at the provincial level, one at the national level and one at the international level – that being the prestigious Gold Quill Award from the International Association of Business Communicators. The awards are a tribute to the hard work of all those who were involved. Planning is currently underway for *Affordable Housing Week 2001*.

BC Housing also maintains an Internet site that is an important business and communications tool. The site at www.bchousing.org provides the general public and people in search of affordable housing with information on BC Housing's programs and services. The site contains information on BC Housing's business activities including information about all public bid documents to allow fair competition for businesses and to provide better value for taxpayers.

Municipal partnerships are central to the successful delivery of affordable housing options. Under the 1999-2000 HOMES BC program, the following municipalities and regional governments contributed land or equity to the development of affordable housing:

- Chetwynd
- Dawson Creek
- Fort St. John
- Greater Vancouver Regional District
- Kamloops
- Kimberley
- Lake Cowichan
- Maple Ridge
- Midway
- Nanaimo
- Nanaimo Regional District
- North Vancouver
- Richmond
- Saanich
- Sparwood
- Summerland
- Vancouver

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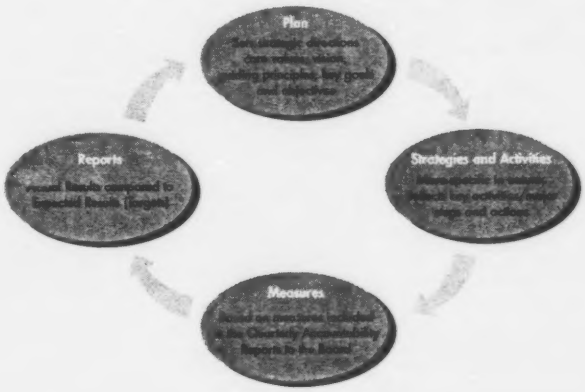
A responsive, adaptive, and accountable organization

The corporate planning process focuses on key priorities and ensures that BC Housing is a responsive, adaptive and accountable organization. It ensures that we are accountable in the programs and services that we deliver and in the public funds we administer. It also ensures that our reporting is accurate and honest. Recognizing that we have a responsibility to ensure value for money and to demonstrate effective business planning practices, a multi-year performance plan that includes measurable performance standards and targets for all key priority areas was created. Performance against the targets set out in the plan is measured and reported regularly.

BC Housing's Approach to Performance Management



Through the corporate planning process, a cyclical process by nature, BC Housing has put into place clearly articulated goals and reports back regularly on the progress that has been made in meeting these goals. This is done through BC Housing's multi-year performance plan as well as through quarterly reports to the Board of Commissioners on key performance indicators.

In order to deliver on the priorities identified through the corporate planning process, BC Housing has placed an emphasis on effective human resource management. This is reflected in a commitment to ensuring that staff have the necessary skills and training to do their jobs. We acknowledge the importance of having recruitment, retention and promotion strategies that ensure BC Housing's workforce is reflective of the diversity of the communities in which we live and work.

To ensure that we work in an effective and efficient way and that our organizational structure meets day-to-day operational realities, we have retained the services of an external consultant. The consultant will review the current organizational structure and recommend possible changes.

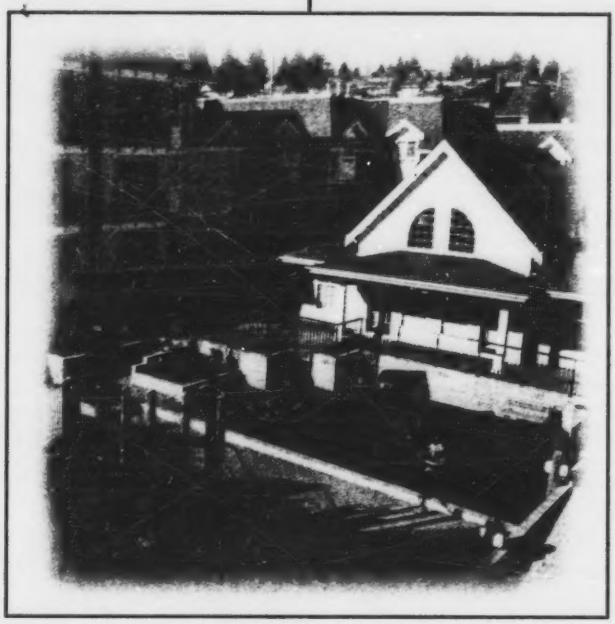
We have also continued to track our success as an organization in maintaining a workforce that reflects the diversity of the general population. Staff at BC Housing are skilled and able to deliver services that recognize the importance of our role as a social housing landlord.

As a responsive, adaptive and accountable organization, BC Housing conducts its business in a fair and consistent manner — one that builds trust and maintains the public's confidence. This includes maintaining the highest standards of conduct among staff as well as ensuring that legislated requirements are met. It also requires that the activities at BC Housing are carried out in an open and transparent manner.

In addition to the directions set out under the *Human Rights Act*, all employees are required to comply with BC Housing's Standards of Conduct Policy, which sets out requirements in key areas. As well, BC Housing has a policy to provide a work environment that is free from harassment — one that promotes respect for diversity.

The effective management of our resources, partnerships and technology was also identified as a key corporate priority. This includes looking for ways to use information technology to support our business objectives and to improve our overall efficiency and effectiveness in the delivery of services.

Together these initiatives ensure that we continue to be a responsive, adaptive and accountable organization.



FUTURE PLANNING

In continuing to be a responsive, adaptive and accountable organization we must understand the forces that will shape BC Housing over the next two to three years and look for opportunities to create an organization that is focused and successful. The following are some of the major challenges to be addressed:

The development of innovative approaches for creating more units by:
Looking for new opportunities for collaboration including private public partnerships that actively explore strategies for increasing the supply of affordable housing.

Promoting and sustaining healthy, active and inclusive communities by:
Identifying new ways of responding to the wide range of housing needs that exist and ensuring that there are structures and strategies in place to support locally driven housing initiatives. It also means continuing to work to promote a sense of harmony and a sense of security in our housing communities.

Efficient use of public resources by:
Careful management of the bottom line without compromising the quality of services provided. It also means the redevelopment and regeneration of the existing social housing portfolio as a means of leveraging existing assets for the creation of additional affordable housing units and the efficient use of information technology and information management as a means of enhancing our performance as an organization.

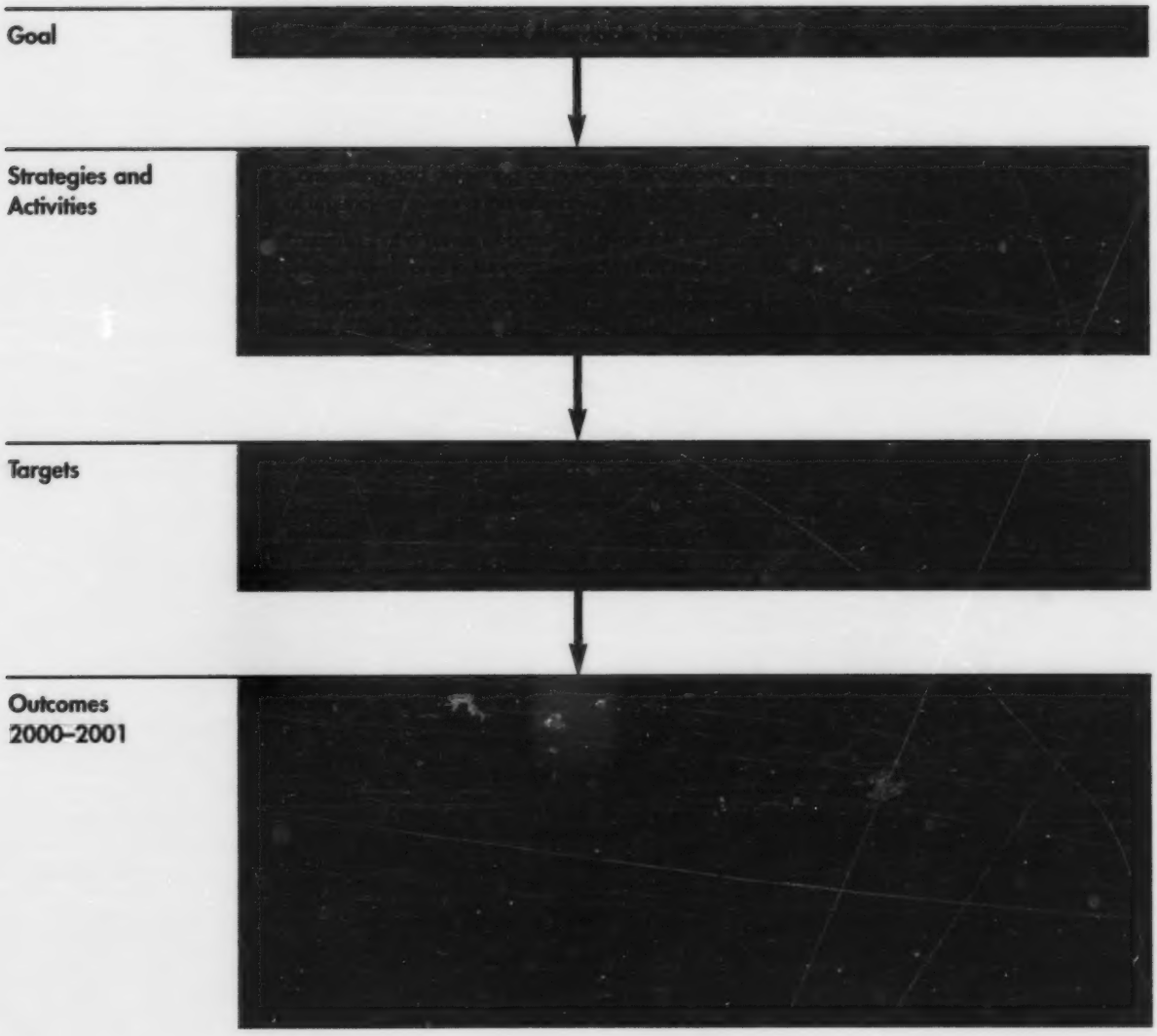
Effective communication by:
Increasing the level of public awareness and political support for the development of affordable housing through public information campaigns and targeted community relations activities that focus on the teamwork and strategies that have helped to create effective housing solutions.

Effective human resource development by:
Investing in staff training and development. It also means showing respect for staff by recognizing their accomplishments and by allowing decisions to be made at the appropriate level within the organization.

Working together by:
Seeking to make a continuing and lasting contribution to the social and economic well-being of individuals and families across the province. It also means carrying out research and education that not only adds value by better responding to individual needs, but which also helps to bring together housing organizations and the construction industry to identify strategies to improve the overall quality of housing in the province.

REPORTING ON PERFORMANCE

This section provides an overview of the key goals and targets identified in BC Housing's multi-year performance plan and reports on progress over the past year.



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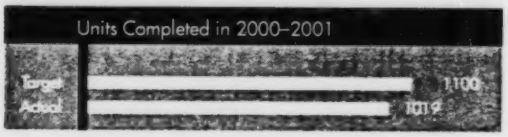
Goal	**Increased Affordable Housing**
Strategies and Activities	• Committing and delivering all housing allocations. The growing need has meant there is a sense of urgency in meeting this objective • Ensuring that a range of options is available to respond to existing and emerging housing-related needs and to support individuals in retaining their housing • Developing a research capability to better understand local housing needs and to support the development of a range of housing options
Targets	• Successful delivery of all housing allocations • Successful delivery of initiatives designed to create broadened housing options and better respond to existing and emerging housing needs • Fair and equitable distribution of housing allocations across need groups and geographic areas

Outcomes 2000–2001	• Completion of 1,019 units — 26 developments in 20 communities
	• Provisional project approval for 3,035 units — 73 developments in 35 communities
	• A mix of units delivered across need groups and across geographic areas:
	  • 1,222 units allocated to families
	  • 271 units allocated to independent seniors
	  • 527 units allocated to supportive seniors
	  • 540 units allocated to low-income singles
	  • 321 units allocated to homeless at risk
	  • 154 units allocated to multi-service housing

Increased Affordable Housing

Performance Measure:
Units completed in 2000-2001.



Overview:
There have been a total of 4,027 units of housing completed under the HOMES BC program since 1994 including 1,019 units that reached completion in 2000-2001.

Performance Measure:
Units planned compared to units allocated.

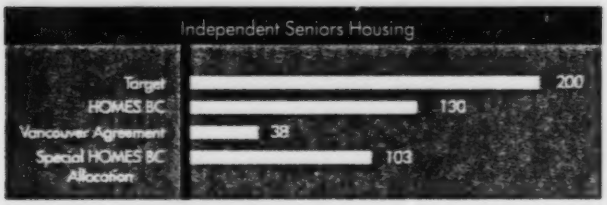
Overview:
There were 3,203 units planned for 2000-2001. This includes 2,400 units to be allocated over two years under the 1999-2000 HOMES BC program as well as 600 units to be delivered as part of the Vancouver Agreement. In addition, this includes 203 units that were approved as a special allocation to respond to specific housing challenges in Vancouver's Downtown Core. Of the 3,203 planned units, 3,035 had received provisional project approval by March 31.

Performance Measure:
Units allocated to families.

Overview:
Based on the 1996 census, there are approximately 220,500 families in BC who rent. Of these households, approximately one in five pays 50 per cent or more of their income on rent. These are households with extreme affordability problems. As part of the 1999-2000 HOMES BC program, 950 units targeted to families were approved to be delivered over a two-year time frame. As of March 31, 2001, 1,222 units allocated to families had received provisional project approval.

Performance Measure:

Units allocated to independent seniors' housing.

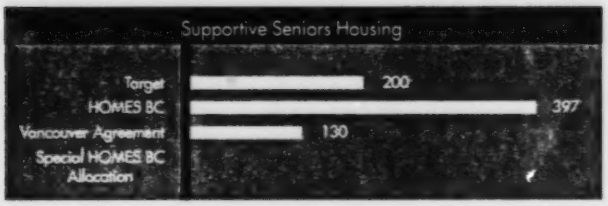


Overview:

The 1999-2000 HOMES BC program included the delivery of 200 units of independent seniors housing to be delivered over a two-year time frame. As of March 31, 2001, 271 units of housing allocated to independent seniors had received provisional project approval.

Performance Measure:

Units allocated to supportive seniors' housing.

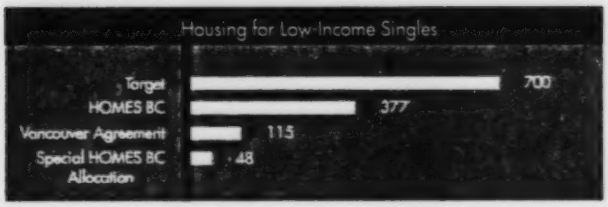


Overview:

Effectively responding to the needs of aging seniors has been identified as a key emerging housing challenge. In response, the 1999-2000 HOMES BC program included 200 units of supportive seniors' housing to be delivered in partnership with local health authorities over a two-year time frame. In response to the overwhelming demand for this housing, 527 units had received provisional project approval as of March 31, 2001.

Performance Measure:

Units allocated to low-income singles.



Overview:

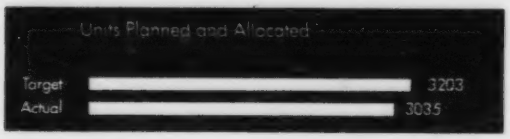
Single person households make up half of all households paying 50 per cent or more of their income on rent. The 1999-2000 HOMES BC program included 700 units of housing for low-income singles to be delivered over a two-year time frame. As of March 31, 2001, 540 units allocated to low-income singles had received provisional project approval.

Increased Affordable Housing

Performance Measure:
Units completed in 2000-2001.

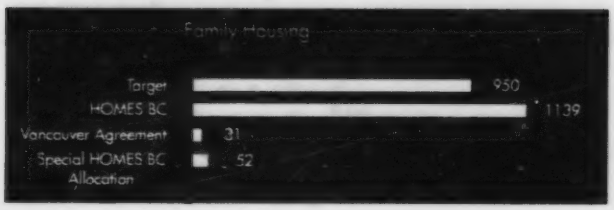
Overview:
There have been a total of 4,027 units of housing completed under the HOMES BC program since 1994 including 1,019 units that reached completion in 2000-2001.

Performance Measure:
Units planned compared to units allocated.



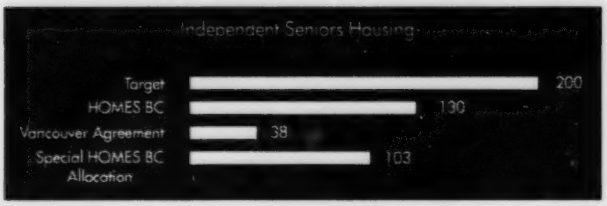
Overview:
There were 3,203 units planned for 2000-2001. This includes 2,400 units to be allocated over two years under the 1999-2000 HOMES BC program as well as 600 units to be delivered as part of the Vancouver Agreement. In addition, this includes 203 units that were approved as a special allocation to respond to specific housing challenges in Vancouver's Downtown Core. Of the 3,203 planned units, 3,035 had received provisional project approval by March 31.

Performance Measure:
Units allocated to families.



Overview:
Based on the 1996 census, there are approximately 220,500 families in BC who rent. Of these households, approximately one in five pays 50 per cent or more of their income on rent. These are households with extreme affordability problems. As part of the 1999-2000 HOMES BC program, 950 units targeted to families were approved to be delivered over a two-year time frame. As of March 31, 2001, 1,222 units allocated to families had received provisional project approval.

Performance Measure:
Units allocated to independent seniors' housing.

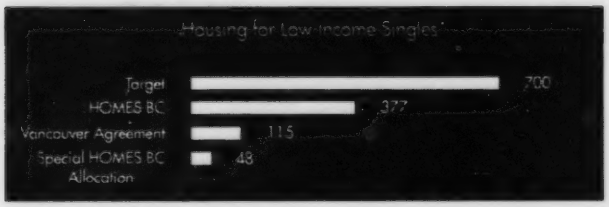


Overview:
The 1999-2000 HOMES BC program included the delivery of 200 units of independent seniors housing to be delivered over a two-year time frame. As of March 31, 2001, 271 units of housing allocated to independent seniors had received provisional project approval.

Performance Measure:
Units allocated to supportive seniors' housing.

Overview:
Effectively responding to the needs of aging seniors has been identified as a key emerging housing challenge. In response, the 1999-2000 HOMES BC program included 200 units of supportive seniors' housing to be delivered in partnership with local health authorities over a two-year time frame. In response to the overwhelming demand for this housing, 527 units had received provisional project approval as of March 31, 2001.

Performance Measure:
Units allocated to low-income singles.



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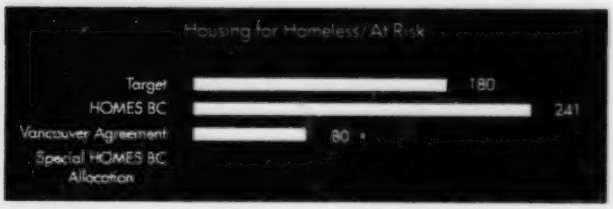
Performance Measure:

Units allocated to those who are homeless or at risk of homelessness.



Overview:

Housing developed under the Homeless/At Risk component of the HOMES BC program is designed to respond to specific housing and support needs of individuals. One of the underlying goals of the program is to support individuals in their housing and to allow them to maintain or regain their independence. Housing developed under this program generally involves the co-ordination of services and funding support with other ministries. The 1999-2000 HOMES BC program included 180 units of housing for those who are homeless or at risk of homelessness to be delivered over a two-year time frame. As of March 31, 2001, 321 units had received provisional project approval.

Performance Measure:

Units allocated to multi-service housing.

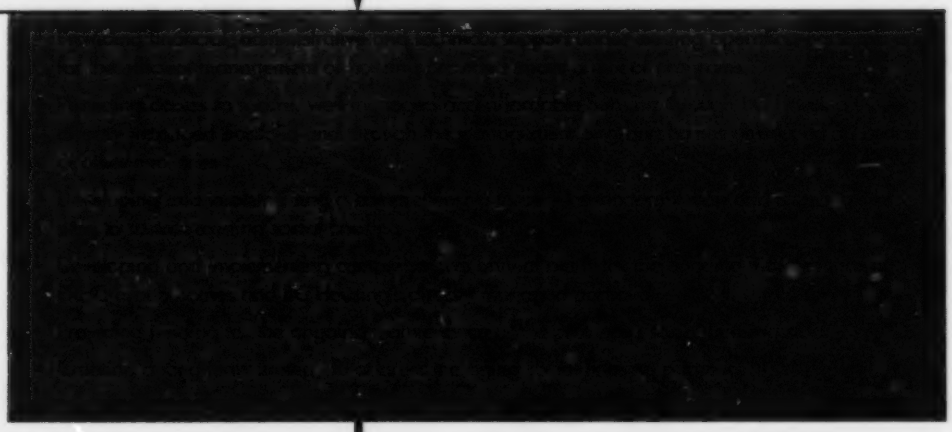
Overview:

In response to increasing concerns about homelessness, the 1999-2000 HOMES BC program included 170 units of multi-service housing to be delivered over a two-year time frame. This is combined short-stay beds as well as second-stage and short-term housing designed to assist individuals in making the transition from being homeless to having permanent housing. As of March 31, 2001, 154 units had received provisional project approval.

REPORTING ON PERFORMANCE

Goal

Strategies and Activities

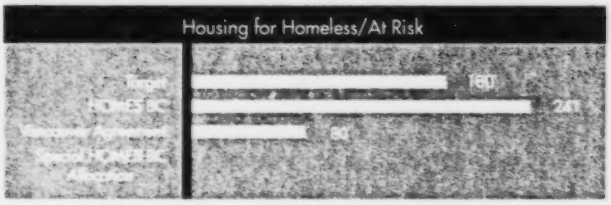


Targets

Outcomes 2000–2001

Performance Measure:

Units allocated to those who are homeless or at risk of homelessness.



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Goal

Well-managed, sustainable existing housing

Strategies and Activities

- Providing financial, administrative and technical support under existing operating agreements for the efficient management of housing provided under a mix of programs
- Providing access to secure, well-managed and affordable housing through BC Housing's directly managed portfolio and through the management of group homes developed on behalf of other ministries
- Developing and implementing a comprehensive three-year modernization and improvement plan to sustain existing social housing
- Developing and implementing comprehensive annual plans for the ongoing maintenance of PRHC group homes and BC Housing's directly managed portfolio
- Providing funding for the ongoing maintenance of the province's social housing stock
- Creating a long-term strategy to address the aging social housing portfolio

Targets

- Efficient management of BC Housing's directly managed portfolio including responsiveness to the needs of tenants
- Effective placement of tenants in BC Housing's directly managed portfolio including an effective vacancy-filling process and an accurate system for tracking and monitoring housing need
- Comprehensive capital planning processes and the timely completion of projects identified in the annual modernization and improvement plan within budget
- Effective capital planning processes which ensure that funding is available to meet the long-term capital needs of aging social housing developments

Outcomes 2000–2001

- 8,886 applicants on BC Housing's Applicant Registry
- 646 applicants housed
- More than 71,000 inquiries received
- An average of 357 new applications processed monthly
- Modernization and improvements carried out in 91 per cent of all directly managed developments
- 290 modernization and improvement (M&I) projects completed in directly managed developments at a cost of $10 million
- Total of $19 million in M&I expenditures, including remediation of water penetration problems, M&I projects in BC Housing's directly managed portfolio and work carried out in non-profit and co-op developments

Well-managed, sustainable existing housing

Performance Measure:
Geographic distribution of provincially funded social housing developments (non-profit and co-op).

Region	Non-Profit and Co-op Developments		
	Co-op	Non-Profit	Special Needs Housing
Lower Mainland	64	293	167
Vancouver Island	6	137	35
Southern Interior	2	106	43
Northern Interior		34	13
North Coast		7	3
Total	72	577	261

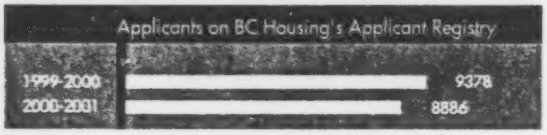
Overview:
The network of non-profit societies and housing co-ops represents a permanent investment in communities across the province and one of the province's greatest assets for responding to the ongoing need for affordable housing. Across the province, there are 72 housing co-ops, 577 non-profit developments, and 261 special needs housing developments managed by non-profit societies. This represents 26,661 units of social housing which are home to more than 44,400 British Columbians.

Performance Measure:
Geographic distribution of BC Housing's directly managed developments.

Region	Directly Managed Developments
Lower Mainland	50
Vancouver Island	23
Southern Interior	11
Northern Interior	11
North Coast	6
Total	101

Overview:
BC Housing is responsible for the direct management of approximately 7,800 units of public housing developed under earlier federal/provincial programs. Across the province there are 101 developments managed by BC Housing which represent home to approximately 15,600 British Columbians.

Performance Measure:
Applicants on BC Housing's Applicant Registry.



Overview:
As of March 31, 2001, there were 8,886 applicants on BC Housing's applicant registry. This is down slightly from the previous year when there were 9,378 applicants.

Performance Measure:
Applicants housed in BC Housing's directly managed portfolio.

Overview:
Housing Services staff placed 646 households in BC Housing's directly managed portfolio as a result of turnover in existing units. In comparison to the previous year the total number of applicants housed is slightly lower.

Performance Measure:
Housing inquiries received.

Overview:
Staff in Housing Services responded to more than 71,000 housing inquiries in 2000-2001. This includes 61,980 phone inquiries and 9,200 storefront visits. These are requests for information from individuals who are in need of affordable housing.

Performance Measure:
Housing applications processed.

Overview:
Staff in Housing Services processed an average of 357 new housing applications each month. These are from individuals who are interested in living in one of BC Housing's directly managed developments and/or in housing managed by the 70 non-profit and co-op housing providers that BC Housing accepts applications for. In comparison to the previous year, the number of new housing applications received is up slightly, while the overall rate of placement has fallen slightly.

Performance Measure:
Modernization and improvement projects carried out and completed in 2000-2001, in BC Housing's directly managed portfolio.

Overview:
Across BC Housing's directly managed portfolio, the average age of the housing stock is 27 years. In response to the needs of an aging public housing portfolio, BC Housing maintains a comprehensive three-year modernization and improvement plan which is updated on an annual basis. In 2000-2001, BC Housing carried out 290 projects under this plan for a cost of $10 million. This work was completed in 92 developments representing almost 91 per cent of BC Housing's directly managed portfolio.

Well-managed, sustainable existing housing

Performance Measure:
Geographic distribution of provincially funded social housing developments (non-profit and co-op).

Non-Profit and Co-op Developments

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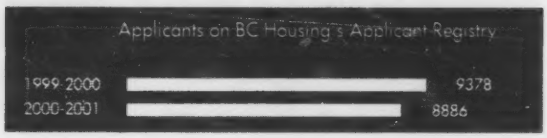

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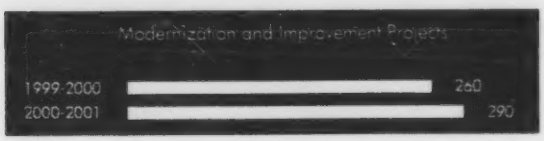

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REPORTING ON PERFORMANCE

Goal

[redacted]

Strategies and Activities

[redacted]

Targets

[redacted]

Outcomes 2000–2001

[redacted]

Healthy, active and inclusive communities

Performance Measure:

High levels of interest and participation in programs designed to promote healthy, active and inclusive communities.

Community Building Activities	Program Participants 1999-2000	2000-2001
People Plants and Homes (PPH))	4082	5451
Tenant Conference	98	138
Student Tenant Employment Program (STEP)	54	43
Event-Specific grants for tenant activities	8	14
Tenant Association Grants (TAG)	42	32
Bursary program applicants	143	174
Bursaries awarded	47	47
Total	**4474**	**5899**

Overview:

The community development and tenant involvement policy adopted this year commits to working with public housing tenants and community partners to support programs, services and volunteer opportunities that promote the social, economic and physical well-being of tenants. This includes programs designed to complement and strengthen the skills that already exist among tenants within public housing communities, as well as to foster healthy, active and inclusive communities. In looking at the range of programs and activities in place, the level of participation was up from the previous year by almost 24 per cent with 5,899 individuals or groups participating.

Performance Measure:

Courses in emergency preparedness.

Emergency Preparedness	Courses	Participants
Rapid Damage Assessment	23	407
Personal Preparedness	8	111
Total	**31**	**518**

Overview:

BC Housing's emergency preparedness program plays an important role in building well-managed, sustainable existing housing and in promoting healthy, active and inclusive communities. In addition to playing a key role in the province's disaster preparedness response programs, BC Housing provides emergency and earthquake preparedness training to staff, tenants and groups in the community. In providing this training, BC Housing is working to increase the community's capacity to respond effectively in an emergency situation. In 2000-2001, 31 courses were offered to 518 participants.

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Goal	**Healthy, active and inclusive communities**
Strategies and Activities	• Delivering programs designed to foster healthy, active and inclusive communities through community partnerships • Encouraging and promoting tenant community development • Continuing to recognize the important role played by the Public Housing Advisory Council (PHAC) and continuing to provide resources to support the Council in its work • Implementing training programs for staff which emphasize the philosophy of social housing and the process of community facilitation • Encouraging partnerships with community resources outside of the housing site to promote the economic, mental and physical well-being of tenants
Targets	• Ongoing support for the work of the Public Housing Advisory Council and the ongoing delivery of a range of long term programs and initiatives designed to promote community partnerships and foster healthy, active and inclusive communities • The identification of resources to encourage and promote community participation and build the local level capacity • The ongoing delivery of emergency preparedness training for tenants, staff and the broader community in order to increase the capacity of communities to respond to emergency situations and to provide support to others • Ongoing work with agencies in the broader community to develop partnerships which will help to provide a range of services and supports to respond to emerging housing needs and to respond to the needs of families and individuals living in social housing
Outcomes 2000–2001	• 5,899 individuals or groups participated in the range of programs and activities designed to promote healthy, active and inclusive communities • Participation is up by almost 24 per cent compared to the previous year • 32 emergency preparedness courses were offered with 518 participants • The Sunset Towers Advocacy Resource Project funded by the Vancouver/Richmond Health Board responded to an average of 399 requests per month for information or assistance • The BC Housing Health Services Program met its target for 2000-2001, which was to house a minimum of 625 individuals who have been diagnosed with a mental illness

Healthy, active and inclusive communities

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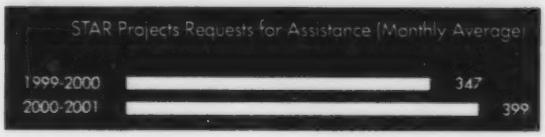
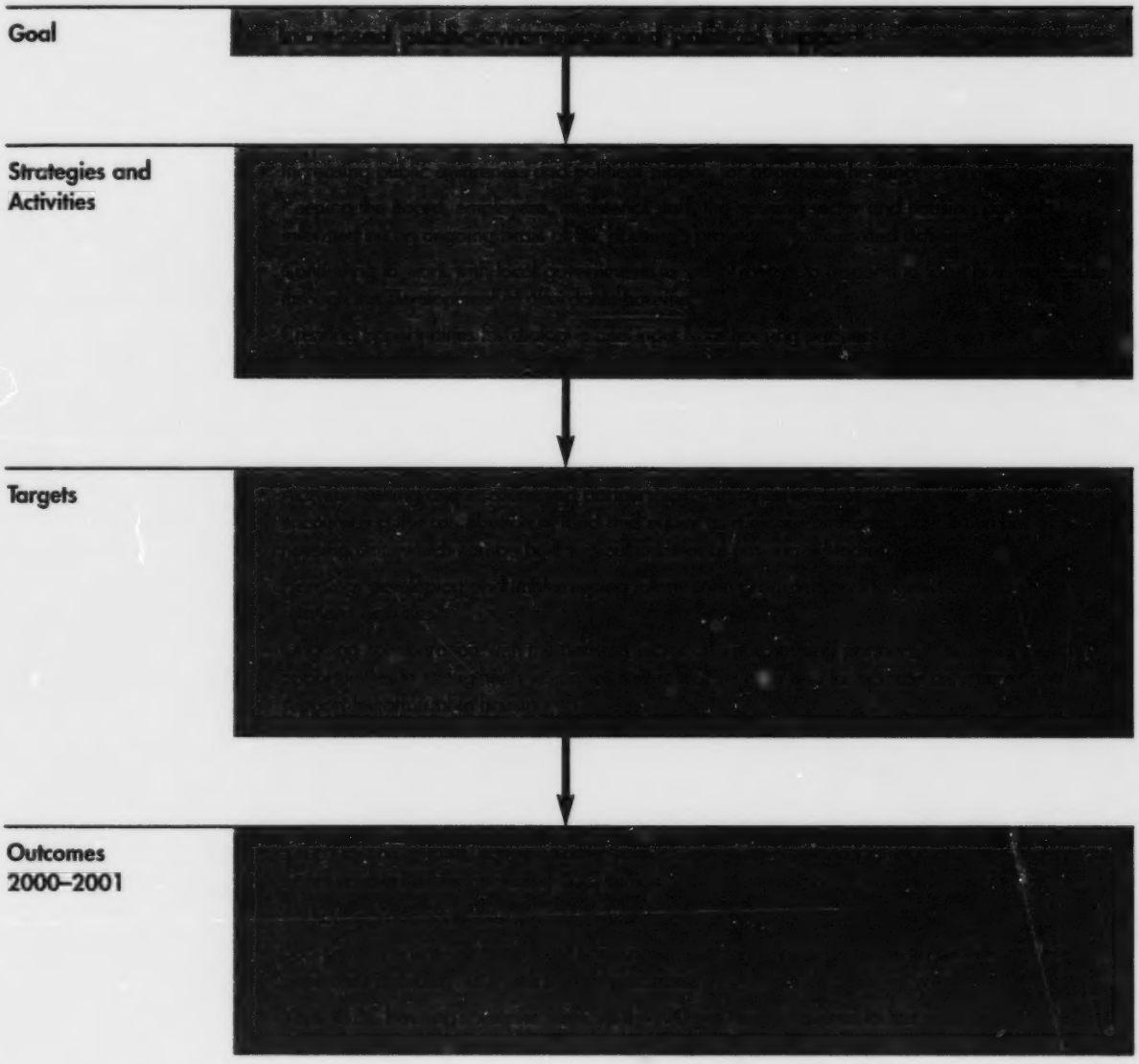
Performance Measure:
Assistance provided under the Sunset Towers Advocacy Resource (STAR) project.



Overview:
Building effective partnerships with resources in the community to enhance the physical, economic, social and mental well-being of tenants and tenant communities is part of BC Housing's role as a social housing landlord. The Sunset Towers Advocacy Resource (STAR) project funded by the Vancouver/Richmond Health Board is a good example of a successful partnership. The STAR project was created in response to concerns over an increasingly frail seniors population in one of BC Housing's largest developments. The STAR project provides outreach to frail and isolated seniors and seeks to improve the co-ordination of services. In 2000-2001, staff in the STAR office responded to an average of 399 requests per month for information or assistance. This is up from the previous year.

Performance Measure:
Individuals housed through the BC Housing Health Service Program.

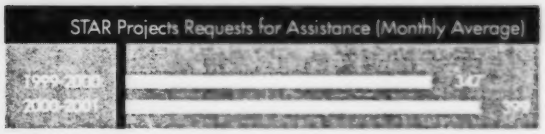
Overview:
Through a funding partnership with the Ministry of Health, the BC Housing Health Services Program seeks to improve access to social housing for those who have been diagnosed with a mental illness. The program provides advice and support to social housing providers who make units available to individuals who have been diagnosed with a mental illness. By the end of 2004-2005, the goal is to provide housing to 1,350 individuals, including 625 individuals to be housed through the program by the end of 2000-2001. As of March 31, 2001, 700 individuals who have been diagnosed with a mental illness have been housed through this program.


Goal
Strategies and Activities
Targets
Outcomes 2000–2001

413

Performance Measure:

Assistance provided under the Sunset Towers Advocacy Resource (STAR) project.



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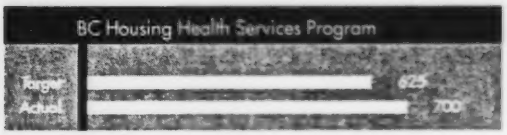

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Goal

Increased public awareness and political support

Strategies and Activities

- Increasing public awareness and political support for affordable housing
- Keeping the Board, employees, ministerial staff, the housing sector and housing partners informed on an ongoing basis of BC Housing's programs, policies and activities
- Continuing to work with local governments to identify ways to respond to local housing needs through the development of affordable housing
- Creating opportunities for dialogue and input from housing partners

Targets

- Actively seeking and encouraging partnerships with other levels of government including encouraging the contribution of land and equity as a means of increasing the number of housing units which can be built without additional provincial funding
- Planning, developing and implementing information programs and targeted community relations activities
- Ongoing collaboration with the housing sector and our housing partners in order to identify opportunities to strengthen the current delivery of services and to increase awareness and support for affordable housing

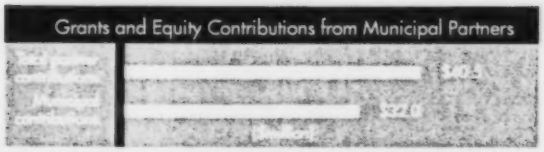
Outcomes 2000–2001

- $40.5 million in land, equity or other contributions was generated to facilitate the development of affordable housing including $32 million from 17 municipal or regional governments
- 65 housing-related events were organized
- 585 printed articles or broadcast transcripts, resulting from positive media coverage, were generated including 182 which were generated by *Affordable Housing Week*
- Visits to BC Housing's website were up by 100 per cent compared to last year

Increased public awareness and political support

Performance Measure:

Grants and equity contributions from municipal partners.

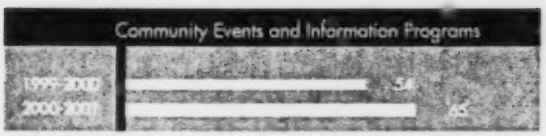


Overview:

Actively seeking and encouraging partnerships with other levels of government, including encouraging the contribution of land and equity as a means of increasing the number of housing units, is a key element in BC Housing's multi-year performance plan. Over the past two years, under the 1999-2000 HOMES BC program, 17 municipalities or regional governments contributed almost $32 million in land, equity or other contributions to facilitate the development of affordable housing while the remaining contributions were from housing providers, local health authorities and other agencies. A total of $40.5 million was generated through these various partnership initiatives.

Performance Measure:

Organization of community events and public information programs.

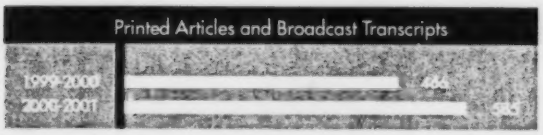


Overview:

Community events and public information programs raise awareness of the need for affordable housing and its importance in building strong and vibrant communities. Community events and information programs include groundbreakings, opening ceremonies, local housing forums, workshops, targeted community relations activities and special events. In 2000-2001, BC Housing held or participated in 65 housing-related events.

Performance Measure:

Printed articles and broadcast transcripts resulting from positive media coverage of BC Housing developments and affordable housing issues.

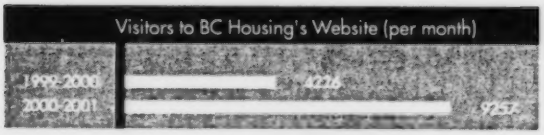


Overview:

There were 585 printed articles and broadcast transcripts resulting from positive media coverage of BC Housing developments and affordable housing issues. This includes 182 articles and broadcast transcripts that were generated as a result of activities related to *Affordable Housing Week*. The number of printed articles and broadcast transcripts resulting in positive media coverage is up by 26 per cent in comparison to 1999-2000.

Performance Measure:

Visitors per month to BC Housing's website, **www.bchousing.org**.

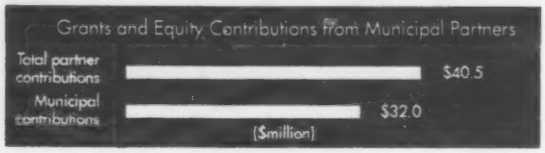


Overview:

BC Housing's Internet site is an important business and communications tool designed to provide the general public and people in search of affordable housing with information on BC Housing's programs and services. Since the site was first launched in November 1998, the level of use has continued to steadily increase. In 2000-2001, there were over 111,000 visitors to BC Housing's website. This is up by 100 per cent over the previous year.

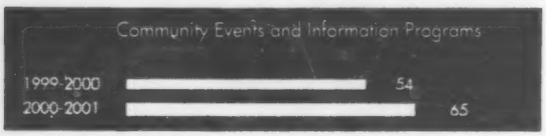
Increased public awareness and political support

Performance Measure:
Grants and equity contributions from municipal partners.



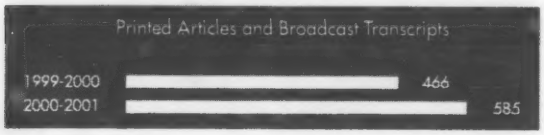
Overview:
Actively seeking and encouraging partnerships with other levels of government, including encouraging the contribution of land and equity as a means of increasing the number of housing units, is a key element in BC Housing's multi-year performance plan. Over the past two years, under the 1999-2000 HOMES BC program, 17 municipalities or regional governments contributed almost $32 million in land, equity or other contributions to facilitate the development of affordable housing while the remaining contributions were from housing providers, local health authorities and other agencies. A total of $40.5 million was generated through these various partnership initiatives.

Performance Measure:
Organization of community events and public information programs.



Overview:
Community events and public information programs raise awareness of the need for affordable housing and its importance in building strong and vibrant communities. Community events and information programs include groundbreakings, opening ceremonies, local housing forums, workshops, targeted community relations activities and special events. In 2000-2001, BC Housing held or participated in 65 housing-related events.

Performance Measure:
Printed articles and broadcast transcripts resulting from positive media coverage of BC Housing developments and affordable housing issues.



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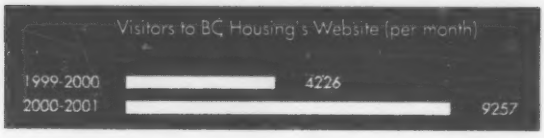

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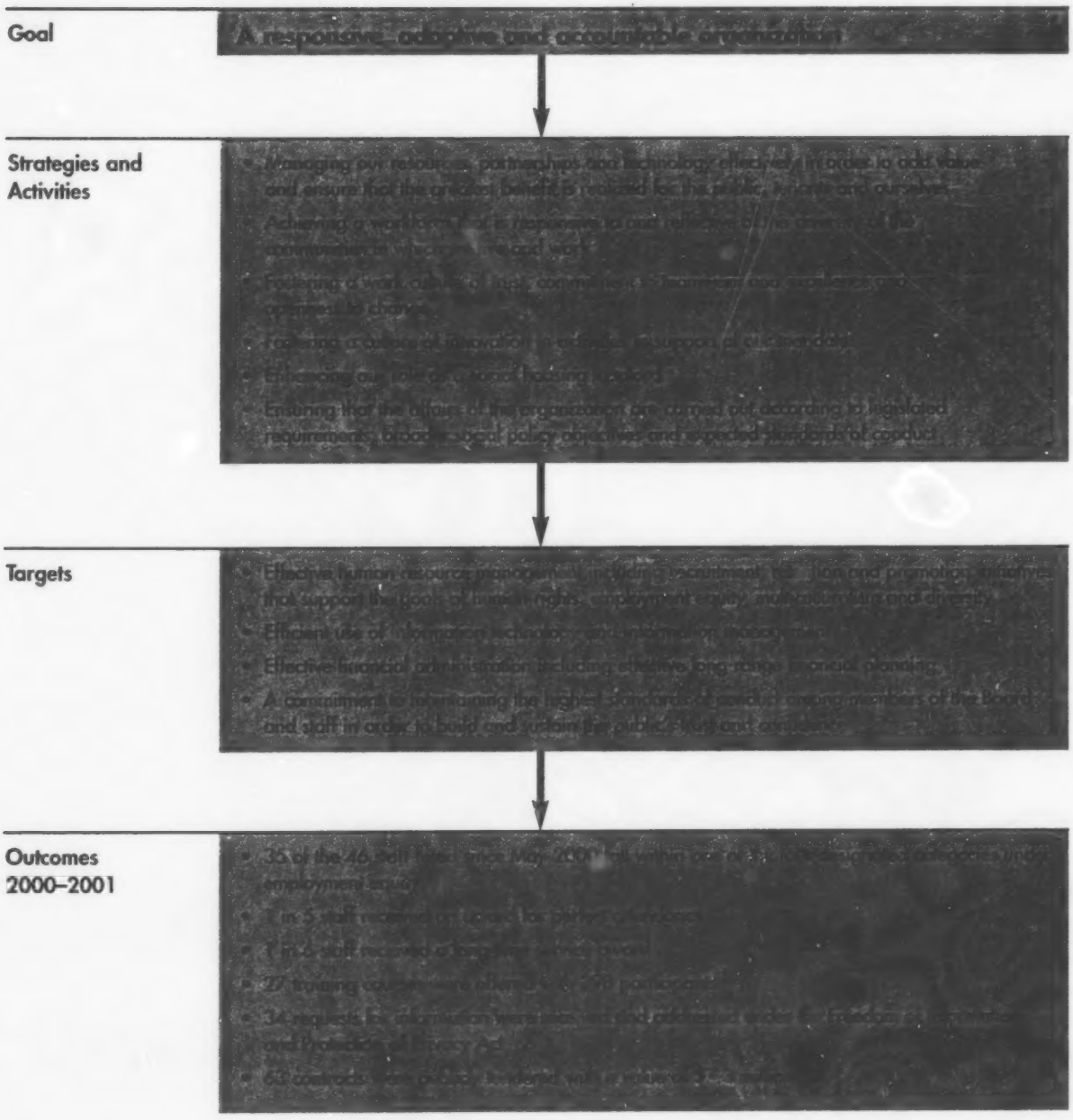
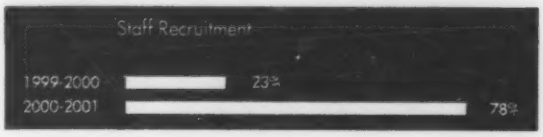

Goal
A responsive, adaptive and accountable organization
Strategies and Activities
Managing our resources, partnerships and technology effectively in order to add value and ensure that the greatest benefit is realized for the public, tenants and ourselves
Fostering a work culture that commits to and values the contributions of its employees
Fostering a culture of innovation in support of the mandate
Enhancing our role as a social housing catalyst
Ensuring that the affairs of the organization are carried out according to legislated requirements, board-approved policy directives and expected standards of conduct
Targets
Effective human resource management, including recruitment, retention and promotion practices that support the goals of the Human Rights, Employment Equity, Multiculturalism and Diversity
Efficient use of information technology and information management
Effective financial administration, including effective long-range financial planning
A commitment to maintaining the highest standards of conduct on the part of members of the Board and staff in order to build and sustain the public's trust and confidence
Outcomes 2000–2001
35 of the 46 staff hired since May 2000 are within one of the four designated employment equity groups
1 in 5 staff received formal recognition awards
1 in 6 staff received a bonus award
27 training courses were offered to staff
34 requests for information were received and processed under the Freedom of Information and Protection of Privacy Act
63 contracts were awarded in accordance with the Procurement Policy

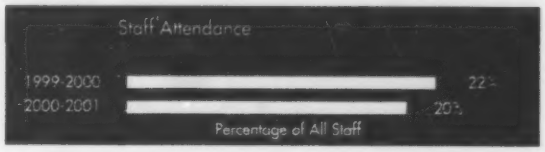
A responsive, adaptive, and accountable organization

Performance Measure:
Maintaining a diverse workforce.



Overview:
Effective human resource management including maintaining a workforce that is reflective of the diversity of the communities in which we live and work is essential. Data collected since May 2000 shows that of the 46 individuals hired, 78 per cent fall within one of the four designated groups under employment equity including women, Aboriginal people, visible minorities and individuals with a disability.

Performance Measure:
Percentage of staff to receive perfect attendance awards.



Overview:
Low levels of staff turnover and high levels of perfect attendance are measures of how staff feel in general about work that they do. In recognition of the hard work and dedication of staff, BC Housing gives out awards for perfect attendance. Over the past year, 71 staff were recommended for an award. This represents approximately 20 per cent of all staff and is comparable to the previous year, when 80 staff or approximately 22 per cent of all staff received this award.

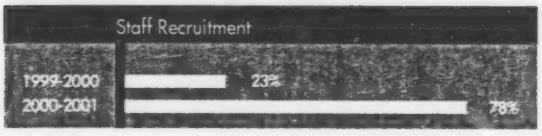
Performance Measure:
Staff receiving long time service awards.

Overview:
The number of staff to receive long time service awards is another measure of staff commitment. Long time service awards are given to staff who have been with BC Housing for five years or more. In 2000-2001, a total of 58 long time service awards were given. This represents almost one in six employees across the organization.

Goal	**A responsive, adaptive and accountable organization**
Strategies and Activities	• Managing our resources, partnerships and technology effectively in order to add value and ensure that the greatest benefit is realized for the public, tenants and ourselves • Achieving a workforce that is responsive to and reflective of the diversity of the communities in which we live and work • Fostering a work culture of trust, commitment to teamwork and excellence and openness to change • Fostering a culture of innovation in activities in support of our mandate • Enhancing our role as a social housing landlord • Ensuring that the affairs of the organization are carried out according to legislated requirements, broader social policy objectives and expected standards of conduct
Targets	• Effective human resource management including recruitment, retention and promotion initiatives that support the goals of human rights, employment equity, multiculturalism and diversity • Efficient use of information technology and information management • Effective financial administration including effective long-range financial planning • A commitment to maintaining the highest standards of conduct among members of the Board and staff in order to build and sustain the public's trust and confidence
Outcomes 2000–2001	• 35 of the 46 staff hired since May 2000 fall within one of the four designated categories under employment equity • 1 in 5 staff received an award for perfect attendance • 1 in 6 staff received a long time service award • 27 training courses were offered with 298 participants • 34 requests for information were received and addressed under the Freedom of Information and Protection of Privacy Act • 63 contracts were publicly tendered with a value of $7.3 million

A responsive, adaptive, and accountable organization

Performance Measure:
Maintaining a diverse workforce.



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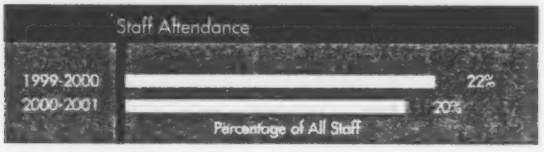
Percentage of staff to receive perfect attendance awards.



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Low levels of staff turnover and high levels of perfect attendance are measures of how staff feel in general about work that they do. In recognition of the hard work and dedication of staff, BC Housing gives out awards for perfect attendance. Over the past year, 71 staff were recommended for an award. This represents approximately 20 per cent of all staff and is comparable to the previous year, when 80 staff or approximately 22 per cent of all staff received this award.

Performance Measure:
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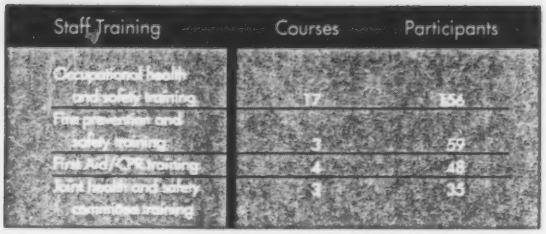
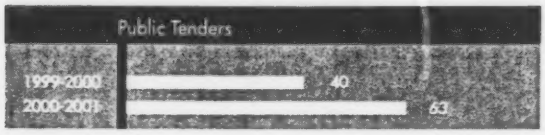
The number of staff to receive long time service awards is another measure of staff commitment. Long time service awards are given to staff who have been with BC Housing for five years or more. In 2000-2001, a total of 58 long time service awards were given. This represents almost one in six employees across the organization.

Performance Measure:
Participation in staff training courses.



Overview:
Investing in training and working to develop the core competencies of staff not only increases our effectiveness as an organization but it also better enables staff to do their jobs. In addition to emergency preparedness training, staff also receive comprehensive training in occupational health and safety in keeping with the requirements set out the by Workers' Compensation Board regulations. First Aid/CPR training, fire prevention and safety training as well as joint health and safety committee training was carried out this year. Over the course of the year, a total of 27 training courses were offered with a total of 298 participants.

Performance Measure:
Service contracts publicly tendered.



Overview:
Maintaining the highest standards of conduct requires that BC Housing's activities be carried out in an open and transparent manner with due regard for efficiency and probity. This includes the public tendering of contracts in excess of $50,000. Information about public tenders is posted on BC Housing's website. In 1999-2000, 40 contracts were tendered with a value of approximately $4.6 million. In 2000-2001, 63 contracts were publicly tendered with a value of approximately $7.3million.

Performance Measure:
Requests for information under the Freedom of Information and Protection of Privacy Act (FOI).

Overview:
Open and timely access to information is an important aspect of being a responsive, adaptive and accountable organization. There were 34 requests for information under the Freedom of Information and Protection of Privacy Act. All but one were answered within the time frame set out in the legislation.

Performance Measure:
Participation in staff training courses.

Staff Training	Courses	Participants
Occupational health and safety training	17	156
Fire prevention and safety training	3	59
First Aid/CPR training	4	48
Joint health and safety committee training	3	35

Overview:
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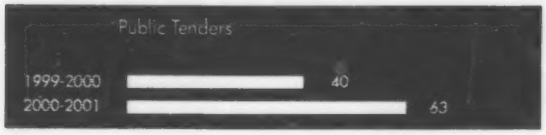

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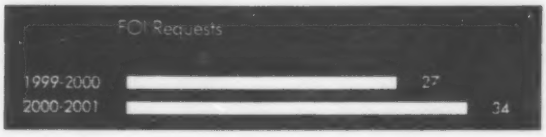

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THE GOVERNANCE FRAMEWORK

Since its inception in 1967, BC Housing has been responsible for the delivery of the province's social housing programs. British Columbians have come to expect the highest standards of integrity, quality and competence in the delivery of all of our programs and services whether it be in the management of social housing or in our expanded activities in the areas of development, research, customer service or public education.

Guiding us is a 16-member Board of Commissioners, appointed by the Lieutenant-Governor-in-Council. The individual members of BC Housing's Board of Commissioners bring to their position a singular wealth of knowledge and experience as well as a steadfast dedication to the creation of homes, choices and healthy communities. BC Housing's Board members represent the people of this province; their role is to ensure that BC Housing continues to make a lasting contribution to the economic and social well-being of individuals, families and communities across the province.

Grounded by a solid governance framework, BC Housing's Board of Commissioners sets the goals, strategic direction and policy of the organization. Building on the vision and strategic directions that were first put into place through our corporate planning process in 1999-2000, we have developed and implemented an ambitious continuum that integrates corporate planning with performance targets for the next three years. This continuous link ensures that the vision of the organization is aligned with both day-to-day and emerging activities.

The final layer of support in the corporate planning and reporting process comes in the form of policy directions that help fuse the pieces together. In order to create a stronger integration between corporate planning, strategic priorities and our programs and services, the Board has been active in guiding the review of six policy areas that are reflective of the key elements of our business. These policies are in the areas of tenant application and placement; community development and tenant involvement; land development; redevelopment and regeneration; staff recruitment and training; and financial planning. Together these policies will provide a solid foundation and the flexibility from which to support our business strategies and will help to ensure that our goals continue to be met.

Members of the Board of Commissioners have experience and expertise in specific aspects of BC Housing's business.

Committees focusing on issues related to key areas of BC Housing's business are another forum through which Board members may pursue areas of particular interest to them. There are a number of Board committees that work towards the realization of priorities and performance targets including the:

- Audit and Finance Committee;
- Governance Committee;
- Executive Search Committee;
- Health Services Program Review Committee;
- Homelessness Committee; and
- Redevelopment Committee.

In addition, there is Board representation on BC Housing's Multiculturalism Committee and on the Public Housing Advisory Council.

While we have achieved significant milestones this year, the Board and staff of BC Housing, in co-operation with our housing partners, will continue to vigorously execute our corporate priorities in a spirit of respect, creativity, innovation and teamwork.

Board Committees

The Board is ultimately responsible for the operational effectiveness and performance of BC Housing. Board committees are instrumental in furthering strategic priorities, recommending policy alternatives and approving all budgets and financial objectives of BC Housing.

Standing Committees

Audit and Finance

The Audit and Finance Committee is responsible for reviewing all financial information issued by BC Housing and the Provincial Rental Housing Corporation. Another key element is to focus on reviewing and assessing management programs and policies regarding the adequacy and effectiveness of internal controls over the accounting and financial reporting within the organization. This year the committee was instrumental in the development of a strategic financial plan for the organization.

Committee Members: Jim Hilton (Chair), John Colbourne, Victor Wong

Governance Committee

The governance committee has played an important and ongoing role in the implementation of a governance framework for the organization. Another important function of this committee is the work it has done to oversee the policy review process that has been undertaken this year. As a result six policies that support key areas of business have been developed.

Committee Members: Marleen Morris (Chair), Lily Chow, Nora Curry, Keith Goodwin, Jeff West

Ad Hoc Committees

Executive Search Committee

The Executive Search Committee was active in co-ordinating a national search for a new Chief Executive Officer. The committee led the selection of a candidate who has the expertise, compassion, vision and enthusiasm to lead the organization into the future. The committee was disbanded in October 2000.

Committee Members: Jim O'Dea (Chair), Lily Chow, John Colbourne, Nora Curry, Marleen Morris

Health Services Program Policy Committee

This committee has been actively reviewing ways of enhancing the Health Services Program in general and its policies specifically. The committee has played a key role in identifying and advocating for a comprehensive strategy to address issues related to the benefits of stable housing to an individual's health and well-being.

Committee Members: Lily Chow (Chair), Avnash Banwait, Nora Curry, Jim Hilton, Jeff West

Homelessness Committee

The Homelessness Committee has advocated tirelessly for the need for a continuum of housing and support services to assist those who are homeless or at risk of homelessness. The committee's efforts have complemented those of staff, community shelter and housing providers, municipalities and the federal government. As a result of these and other efforts, the Province allocated funding for 800 housing units to address initiatives on homelessness.

Committee Members: Judy Villeneuve (Chair), Lily Chow, Celene Fung, Jeff West

Avnash Banwait

Christina Casimir

John Colbourne

Nora Curry

Bob Friedland

Celene Fung

Keith Goodwin

Jim Hilton

Kaye Melliship

Marleen Morris

Jim O'Dea (Chair)

Judy Villeneuve

Not pictured:
Lily Chow,
Pam Horton

Jeff West

Victor Wong

Redevelopment Committee

The Redevelopment Committee reviews ways of enhancing BC Housing's policies as they relate to the management and redevelopment of appropriate sites. Through the development of a land policy as well as a policy on redevelopment and regeneration, the committee has worked to ensure that current and future initiatives are practical, make best use of limited resources and are responsive to the needs of tenants and the community.

Committee Members: Keith Goodwin (Chair), Avnash Banwait, John Colbourne, Nora Curry, Jim Hilton

REPORT FROM THE CHIEF FINANCIAL OFFICER

Program Revenues:

For the 2000-2001 fiscal year, BC Housing had an approved budget of $224 million (including working capital interest expenses and interest revenues). Programs funded include public housing, non-profit and co-operative housing, special needs housing and rent supplements allowing more than 82,000 British Columbians to live in safe and affordable housing.

BC Housing received revenue from various sources with the majority of revenues (78 per cent) coming from the provincial and federal governments. In 2000-2001, the provincial government contributed $98.8 million while the federal government through Canada Mortgage and Housing Corporation (CMHC) contributed $79.3 million.

Financial commitments from both of BC Housing's funding partners increased by 9 per cent from the previous year with costs attributable to maintaining the aging public housing portfolio and the need to address major building envelope failures being some of the key drivers. Provincial funding also increased in order to meet new HOMES BC commitments.

Tenant rent revenues made up 13 per cent of BC Housing's actual revenues. Total rent revenue in 2000-2001 was approximately $400,000 under budget, reflecting the loss of revenue from properties managed on behalf of the BC Transportation Financing Authority and from vacancies in some directly managed developments that require special attention.

Funding from other ministries for the delivery of a range of housing programs and services accounted for 6 per cent of BC Housing's revenue. This includes funding from the Ministry for Children and Families, the Ministry of Social Development and Economic Security, the Ministry of Women's Equality and the Ministry of Health.

Program Expenditures:

Total expenditures for 2000-2001 were within 1.8 per cent of budget and approximately 8.7 per cent higher than the previous fiscal year. The year over year increase reflects the planned cost of subsidies for 1,019 new HOMES BC units completed in the year and the cost of building envelope repairs carried out in 2000-2001.

Major budget pressures came from increased utility costs and increased modernization and improvement costs. The increased utility costs were largely related to a significant increase in heating costs (55 per cent year over year increase). The increased modernization and improvement costs (86 per cent year over year increase) were largely associated with an aging social housing portfolio and urgent repairs linked to building envelope failures. These costs include a portion of

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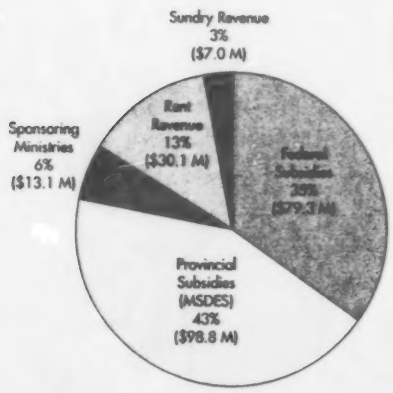
expenses that were previously approved by CMHC and which were outside of the regular budget cycle.

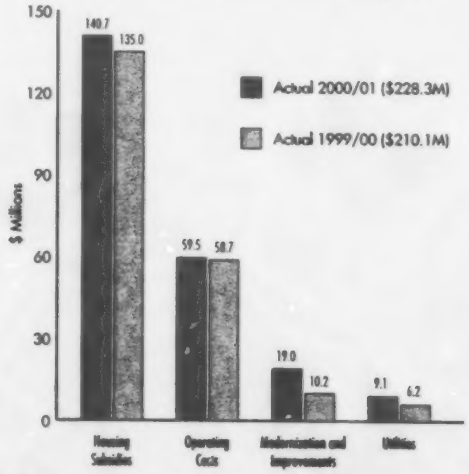
In terms of BC Housing's expenditures:

- Subsidy support to non-profit societies and housing co-operatives responsible for the delivery of 26,661 units of social housing across the province is BC Housing's single greatest expense, accounting for 62 per cent of BC Housing's total expenses in 2000-2001. Subsidy costs continue to grow as new HOMES BC housing developments reach completion.
- Since 1994 when the HOMES BC program started, 4,027 units have been completed in partnership with non-profit societies and housing co-operatives. HOMES BC program costs increased by $8.7 million over the previous fiscal year to $31.1 million reflecting the cost of 1,019 new HOMES BC units being completed in the 2000-2001 fiscal year and the cost associated with the development of new units.
- At March 31, 1,516 new housing units were under construction and receiving loan advances from BC Housing. BC Housing borrowed $122.5 million in short-term loans from the Ministry of Finance to provide construction loans to non-profit societies and housing co-ops and for land purchases including $21.9 million for the purchase of the former Woodward's building. When projects are completed housing providers borrow from private lenders to repay these loans.
- Mortgage interest makes up the largest component of the economic rent and comprises on average 60 per cent of the total operating costs for HOMES BC developments. To secure favourable financing, BC Housing administers all new mortgages and renewals through a competitive bidding process, resulting in mortgage rates below market levels. The weighted average mortgage takeout rate for the first six months of 2000-2001 was 6.84 per cent, an increase of 46 basis points from the previous year. In November of 2000, mortgage rates began to decline resulting in a weighted average of 6.65 per cent for the full year.
- Addressing building envelope failures resulting from water penetration problems has continued to be a high priority. During this past fiscal year, a detailed assessment of all Lower Mainland non-profit housing developments was completed as well as the initiation of a review of all social housing development on Vancouver Island. These reviews established repair priorities and provided cost estimates for budget purposes. In total, 28 water repair projects commenced in the fiscal year at a cost of $5.5 million. In addition, extensive work is planned for future years.
- Expenditures for BC Housing's directly managed portfolio were 13 per cent higher in 2000-2001 than the previous year largely because of increased heating costs and the costs associated with an aging portfolio. The

Actual Revenues 2000/01 ($228.3M)



EXPENDITURES
Actual 2000/01 vs Actual 1999/00



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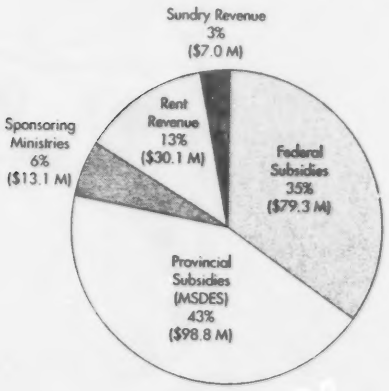
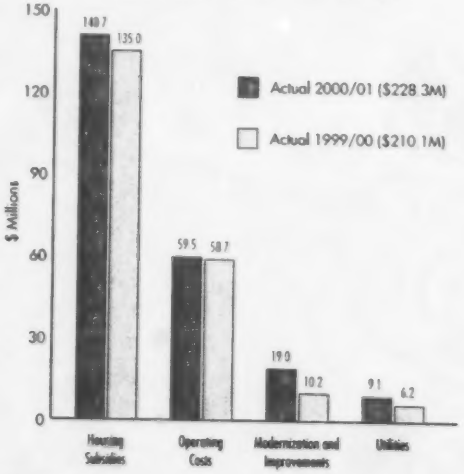
- Since 1994 when the HOMES BC program started, 4,027 units have been completed in partnership with non-profit societies and housing co-operatives. HOMES BC program costs increased by $8.7 million over the previous fiscal year to $31.1 million reflecting the cost of 1,019 new HOMES BC units being completed in the 2000-2001 fiscal year and the cost associated with the development of new units.
- At March 31, 1,516 new housing units were under construction and receiving loan advances from BC Housing. BC Housing borrowed $122.5 million in short-term loans from the Ministry of Finance to provide construction loans to non-profit societies and housing co-ops and for land purchases including $21.9 million for the purchase of the former Woodward's building. When projects are completed housing providers borrow from private lenders to repay these loans.
- Mortgage interest makes up the largest component of the economic rent and comprises on average 60 per cent of the total operating costs for HOMES BC developments. To secure favourable financing, BC Housing administers all new mortgages and renewals through a competitive bidding process, resulting in mortgage rates below market levels. The weighted average mortgage takeout rate for the first six months of 2000-2001 was 6.84 per cent, an increase of 46 basis points from the previous year. In November of 2000, mortgage rates began to decline resulting in a weighted average of 6.65 per cent for the full year.
- Addressing building envelope failures resulting from water penetration problems has continued to be a high priority. During this past fiscal year, a detailed assessment of all Lower Mainland non-profit housing developments was completed as well as the initiation of a review of all social housing development on Vancouver Island. These reviews established repair priorities and provided cost estimates for budget purposes. In total, 28 water repair projects commenced in the fiscal year at a cost of $5.5 million. In addition, extensive work is planned for future years.
- Expenditures for BC Housing's directly managed portfolio were 13 per cent higher in 2000-2001 than the previous year largely because of increased heating costs and the costs associated with an aging portfolio. The

Actual Revenues 2000/01
($228.3M)



EXPENDITURES
Actual 2000/01 vs Actual 1999/00



unanticipated increase in heating costs was due to a significant increase in the cost of natural gas, some of which was mitigated through a bulk gas-purchase program that fixed the heating costs for 35 housing developments at a lower rate than earlier in the year.

- Modernization and improvement expenditures in BC Housing's directly managed portfolio were approximately $10 million and focused on essential health and safety repairs including upgrading elevators to current safety standards and taking earthquake preparation measures such as installing mechanical gas protection shutoff systems. Boiler and mechanical upgrading and repiping projects were undertaken to improve building efficiency and eliminate repetitive high cost maintenance. Modernization and improvement costs also included initiatives designed to support aging-in-place including the second phase of the Sunset Towers multi-year revitalization project designed to better respond to the changing needs of aging seniors.
- Funding for modernization and improvement initiatives in non-profit and co-op housing amounted to $3.5 million and included projects such as re-roofing at Ladner Willows and re-piping at Friendship Baptist Manor.
- Under the Shelter Aid for Elderly Renters (SAFER) program a total of $19.9 million was allocated to respond to the needs of seniors living in the private rental market. Over the past year approximately 12,200 seniors received assistance, slightly fewer than in previous years. In order to increase the level of awareness of the program and to encourage greater participation among eligible seniors, BC Housing implemented a communications strategy that resulted in a slight increase in program take-up toward the end of the fiscal year.

BC Housing delivers a number of other housing programs including:

- building management support and administration services on a cost recovery basis to other provincial organizations including the Ministry for Children and Families, the Ministry of Social Development and Economic Security, the Ministry of Women's Equality and the Ministry of Health. Support to other ministries and government agencies in the delivery of housing options is a growing segment of BC Housing's business, having increased by over 20 per cent from the previous fiscal year. In 2000-2001, BC Housing was responsible for the administration of 306 group homes providing over 1,531 housing units at a cost of $7.8 million
- the Supported Independent Living (SIL) program delivered in partnership with the Ministry of Health. Through this program, rent assistance is provided to individuals with severe and persistent mental illness in order to enable them to live independently in affordable, self-contained housing. The Adult Mental Health Division of the Ministry of Health funds the shelter component of SIL, while BC Housing is responsible for the administration of the program. The program has continued to grow with the total number of clients to be served increasing by almost 14 per cent over the previous year. At March 31, 2001, 1,439 individuals were receiving rental assistance of an average of $253 per month. Additional program funding was directed toward specialized SIL support services such as education, training and emergency home repairs. Total program expenses amounted to $4.9 million
- the BC Housing Health Services Program, also funded by the Ministry of Health, is designed to provide access to social housing for individuals who have been diagnosed with a mental illness. The program provides consultation and support to social housing providers who in turn make units available to the program. The annual cost of the program is $720,000. To date, more than 640 individuals diagnosed with a mental illness have been housed through this program with the goal being to house a total of 1,350 individuals by 2004-2005.

Provincial Rental Housing Corporation (PRHC)

PRHC is the corporation that owns land and buildings for provincially owned social housing. BC Housing administers PRHC, which buys, holds and disposes of real property and leases residential properties to non-profit societies and co-operatives for housing developments. At March 31, 2001, PRHC owned real estate with a net book value of almost $371 million. Over the past year, in keeping with the directions set out by the Office of the Auditor General in its review of the governance structure of BC Housing and PRHC, changes were made to the structure of PRHC in order to create greater alignment between the activities of PRHC and BC Housing.

PUBLICATIONS

Corporate Literature
Annual Reports
BC Housing 2000-2001 Corporate Plan Summary
BC Housing Multi-Year Performance Plan

Program Information
Applying for Affordable Housing in British Columbia – How to Apply
BC Housing Health Services Program
Priority Placement Program
Public Housing Advisory Committee
Rapid Damage Assessment
Shelter Aid for Elderly Renters (SAFER)
Tenant Association Grant Program
The Link – Maps, Buildings and Addresses of Affordable Housing in BC

Development Publications
HOMES BC Community Need and Demand Analysis
HOMES BC Design and Construction Standards
HOMES BC Development Process – Owner's Guide to Roles and Responsibilities
HOMES BC Non-Profit Housing Application Guidelines
HOMES BC 2001 Rent Supplement Program
Public Tendering Guidelines

Publications for Housing Providers
Non-Profit Guides:
Corporate Responsibilities
Emergency Preparedness
Financial Responsibilities:
- Financial Reporting Requirements
- Deferral with Fund Accounting – Sample Financial Statements

Housing Programs
Maintenance
Rent Calculation
Resident Involvement Kit
Resident Relations
Tools for HOMES BC Operators

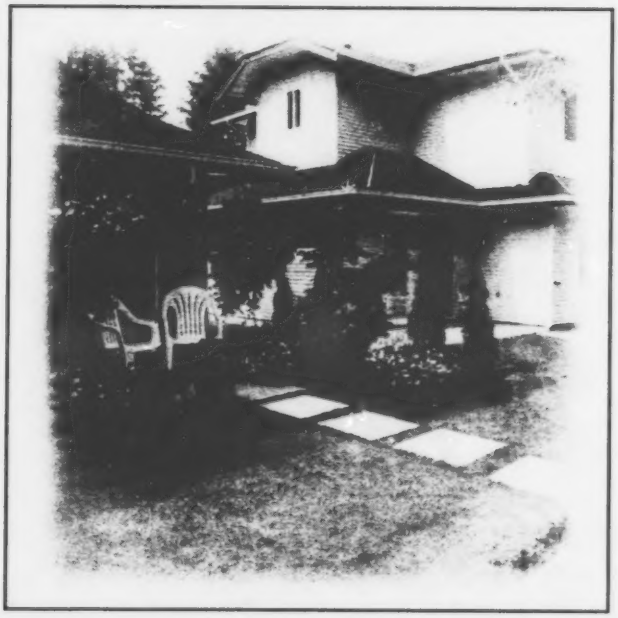
Fact Sheets and Information Bulletins
Affordable Housing in British Columbia
Homelessness – A Call for Action
Housing Sector Update
Housing Registry Bulletin
Myths and Attitudes about Social Housing
The Facts on Housing Need
The Facts on Special Needs Housing
Working Toward Solutions

Public Education
Opening Doors boxed set of six videos:
Affordable Housing
Social Housing
Special Needs Housing
Homelessness
Strong Communities
What's Next

Resource Materials/Business Plans
Public Housing Advisory Council Strategic Plan and Action Plans
Community Housing Initiatives Program Business Plan 1999-2001
The Community Resource Directory

Collaborative Research Initiatives
The Downtown Core Housing Project: A Community Self Portrait
The Relationship between Homelessness and the Health, Social Services, and Criminal Justice System: A Review of the Literature (Volume 1)
A Profile, Policy Review and Analysis of Homelessness in British Columbia (Volume 2)
The Cost of Homelessness in British Columbia (Volume 3)
Background Report: A Profile and Policy Review of Homelessness in the Province of Ontario, Quebec and Alberta (Volume 4)
Cost-Effective Housing in British Columbia

Financial Statements
March 31, 2001 and 2000



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AUDITORS' REPORT

Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

To the Chair of
British Columbia Housing Management Commission

We have audited the balance sheet of British Columbia Housing Management Commission (the "Commission") as at March 31, 2001, and the statements of revenue and expenditures and Province's Account and its cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2001, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Vancouver, Canada
May 8, 2001

Chartered Accountants

Statement of Management Responsibility

The financial statements of the British Columbia Housing Management Commission have been prepared by management in accordance with Canadian generally accepted accounting principles, consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements.

Management depends upon a system of internal controls that provide reasonable assurance, on a cost-effective basis, that the financial information is reliable and accurate.

The Audit and Finance Committee, which is comprised of directors who are not employees, oversees management's discharge of its financial reporting responsibilities. The committee meets periodically with management, the internal auditors and the external auditors to discuss auditing, financial reporting and internal control matters. Both internal and external auditors have access to the Audit and Finance Committee without management's presence.

Shayne Ramsay
Chief Executive Officer

Irene Young
Chief Financial Officer

May 8, 2001

M121

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Balance Sheet
March 31

	2001 ($000's)	2000 ($000's)
Assets		
Current		
Cash and short-term investments	$ 2,585	$ 2,827
Accounts receivable	8,937	6,841
Prepaid expenses and housing subsidies	10,161	9,070
Due from Province of British Columbia	3,673	6,325
Due from Canada Mortgage and Housing Corporation	10,946	5,740
Current portion of mortgages receivable (Note 4)	7,997	103
Construction loans provided to housing projects (Note 3)	76,553	43,764
	120,852	74,670
Due from Provincial Rental Housing Corporation (Note 7)	31,225	–
Mortgages receivable (Note 4)	3,551	3,995
Long-term receivables	1,103	1,103
Proposal development advances (Note 5)	3,765	3,117
Long-term investments (market value $10,616)	11,561	13,091
Capital assets (Note 6)	3,700	1,069
	$ 175,757	$ 97,045
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 18,832	$ 12,528
Funding received in advance	10,000	–
Tenants' prepaid rent	676	624
Due to Provincial Rental Housing Corporation (Note 7)	–	204
Due to Provincial Treasury (Note 3)	122,512	61,226
	152,020	74,582
Societies' funds held on deposit (Note 8)	13,562	14,292
Grants received in advance of construction (Note 9)	1,189	323
Deferred contributions		
Self Insurance Funds (Note 10)	3,115	2,731
Group Home Replacement Funds (Note 11)	5,304	4,559
Province's account	567	558
	$ 175,757	$ 97,045

Commitments (Note 13)
Contingency (Note 15)

On behalf of the Board

Chair

Member

See accompanying notes to the financial statements

Balance Sheet
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See accompanying notes to the financial statements

Statements of Revenue and Expenditures and Province's Account
Years Ended March 31

	2001 ($000's)	2000 ($000's)
Revenue		
Provincial contributions	$ 111,897	$ 98,445
Federal contributions	79,294	72,680
Tenant rent	30,064	30,096
Other	7,044	6,269
	228,299	207,490
Expenditures		
Housing subsidies	140,653	135,010
Salaries and labour	19,947	19,428
Building modernization and improvement	19,025	10,184
Building mortgage costs	12,990	12,990
Utilities	9,071	6,186
Building maintenance	8,055	7,229
Office and overhead	5,944	5,274
Grants in lieu of property taxes	4,741	4,752
Operating expenses	4,072	5,953
Interest expense	3,792	3,084
	228,290	210,090
Excess (deficiency) of revenue over expenditures	9	(2,600)
Province's account, beginning of year	558	3,158
Province's account, end of year	$ 567	$ 558

See accompanying notes to the financial statements

Statement of Cash Flows
Years Ended March 31

Cash flows provided by (used in)	2001 ($000's)	2000 ($000's)
Operating activities		
Excess (deficiency) of revenues over expenditures	$ 9	$ (2,600)
Adjustments to determine cash flows:		
Depreciation	1,626	784
Self insurance funds	384	444
Group home replacement funds	745	1,361
Change in non-cash working capital	10,615	(4,047)
	13,379	(4,058)
Investing activities		
Mortgages receivable	(7,450)	(195)
Long-term receivables	–	(357)
Proposal development advances	(648)	(650)
Construction loans provided to housing projects	(32,789)	(11,855)
Long-term investments	1,530	(691)
Additions to capital assets	(4,257)	(834)
	(43,614)	(14,582)
Financing activities		
Due from/to Provincial Rental Housing Corporation	(31,429)	3,322
Due to Provincial Treasury	61,286	16,929
Societies' funds on deposit	(730)	841
Grants received in advance of construction	866	(1,258)
	29,993	19,834
(Decrease) increase in cash and short-term investments	(242)	1,194
Cash and short-term investments, beginning of year	2,827	1,633
Cash and short-term investments, end of year	$ 2,585	$ 2,827

See accompanying notes to the financial statements

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See accompanying notes to the financial statements

Notes to the Financial Statements
March 31, 2001 and 2000

1. General

The British Columbia Housing Management Commission is a Crown agency, established in 1967, responsible for developing new social housing under the Province's HOMES BC program, for administering the Province's Shelter Aid for Elderly Renters program, and for administering a variety of other federal/provincial housing programs. The Commission manages public housing stock and administers agreements relating to units managed by non-profit societies. The Commission ensures that provincial housing policy is reflected in its programs and that these are delivered in a co-ordinated, cost-effective manner.

The expenditures and revenues of the programs administered by the Commission are reported in Schedule 1.

2. Significant accounting policies

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tenant rent revenue

Tenant rent revenue represents rent charged to residents, and is determined as the lesser of market rent and a percentage of each resident's income.

Capital assets

Capital assets are recorded at cost and depreciated over their estimated useful lives. Both computer hardware and software are depreciated on the straight-line method over three years. All other capital assets are depreciated on the straight-line method over five years.

Employee benefit plans

The Commission and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits on behalf of employers and employees to whom the Act applies. The Plan is a multi-employer defined benefit plan. The contributions to the Plan are expensed in the year when payments are made. The most recent actuarial valuation (March 31, 1999) has determined the Plan is in a surplus position.

Financial instruments

The Commission's financial instruments consist of cash and equivalents, accounts receivable and current liabilities. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying values.

Notes to the Financial Statements
March 31, 2001 and 2000

3. Construction loans provided to housing projects

In its capacity as a National Housing Act approved lender, the Commission funds construction draws for societies who are building approved projects under social housing programs. These advances are repaid at substantial completion of each project from financing arranged with private lenders. Societies are charged interest at the Province's weighted average borrowing rate for short-term funds, plus administration costs. The Provincial Treasury provides funding to the Commission for the purpose of advancing loans for construction. These loans are unsecured and bear interest at the Province's weighted average borrowing rate for short-term funds. The Commission has the authority to borrow up to a maximum of $165 million from the Provincial Treasury.

4. Mortgages receivable

The Commission, in its capacity as a National Housing Act approved lender, occasionally acts as the take-out lender for some projects. These mortgages are generally held for a short period, one year or less, until such time as the borrower confirms its long-term financing arrangements.

5. Proposal development advances

Loan advances are made to sponsoring societies for needs studies, incorporation and site development costs. These advances are normally repaid upon project completion or remain outstanding for three years, at which time they are written off.

6. Capital assets

	Cost	Accumulated depreciation	2001 ($000's) Net book value	2000 ($000's) Net book value
Computer hardware	$ 2,949	$ 2,294	$ 655	$ 485
Computer software	2,729	2,170	559	147
Tenant improvements	1,690	338	1,352	–
Office furniture	1,126	343	783	168
Office equipment	379	168	211	114
Vehicles	203	124	79	121
Grounds equipment	122	61	61	34
	$ 9,198	$ 5,498	$ 3,700	$ 1,069

7. Provincial Rental Housing Corporation

Amounts represent funds advanced for the acquisition and development of properties under the social housing programs.

8. Societies' funds held on deposit

These funds represent the balance of mortgage advances held to cover various non-profit societies' construction and soft costs required to complete their projects. Interest accrues on the societies' funds at the Province's weighted average borrowing rate for short-term funds.

Notes to the Financial Statements
March 31, 2001 and 2000

9. Grants received in advance of construction

The Commission has received funds from the Province, the use of which is restricted to the construction of specific social housing projects. The changes in these grants during the year were as follows:

	Balance, beginning of year ($000's)	Grant received (transfers) ($000's)	Construction costs incurred ($000's)	Balance, end of year ($000's)
1992/93 Homeless Initiatives	$ 200	$ (1)	$ –	$ 199
1993/94 Homeless Initiatives	31	(31)	–	–
HOMES BC	92	898	–	990
	$ 323	$ 866	$ –	$ 1,189

10. Self Insurance Funds

These amounts are funded by the Province and CMHC and provide for claims below the deductible amounts of insured properties and for uninsured losses.

	2001 ($000's)	2000 ($000's)
Balance, beginning of year	$ 2,731	$ 2,287
Additional funding	198	319
Interest earned	241	181
	3,170	2,787
Less: claims expense	55	56
Balance, end of year	$ 3,115	$ 2,731

11. Group Home Replacement Funds

These amounts are funded by the Province through the annual operating budgets for group homes and are used to fund major repairs and maintenance.

	2001 ($000's)	2000 ($000's)
Balance, beginning of year	$ 4,559	$ 3,198
Additional funding	1,828	2,249
Interest earned	116	–
	6,503	5,447
Less: expenditures for repairs and maintenance	1,199	888
Balance, end of year	$ 5,304	$ 4,559

Notes to the Financial Statements
March 31, 2001 and 2000

12. Grants in lieu of taxes

The Commission, on behalf of the Province and CMHC, pays each municipality a grant equivalent to gross property taxes due for all residential properties and projects managed.

13. Lease commitments

The Commission has minimum rental obligations under operating leases for office space over the next five fiscal years as follows:

		($000's)
2002	$	1,172
2003		1,608
2004		1,605
2005		1,640
2006		702

14. Related party transactions

In the normal course of operations, the Commission acquires goods and services from the Province and certain crown corporations, under prevailing trade terms.

These statements do not include the capital cost of the projects. However, an amount equivalent to amortization on capital costs is in part payable to the Provincial Rental Housing Corporation ("PRHC") and in part credited to Canada Mortgage and Housing Corporation ("CMHC").

15. Contingency

In response to industry concerns and experience regarding building envelope failure, the Commission undertook a systematic review of non-profit and co-operative owned buildings under its administration. Buildings included in the study are part of the Federal/Provincial housing portfolio. The Commission received preliminary estimates for the cost of remediation for a number of projects. However, there are ongoing examinations of other properties in the portfolio.

These costs, subject to confirmation through detailed engineering studies or actual repairs, are estimated to be in the range of $20 million. These repairs will be undertaken by housing sponsors in the future and the resulting expenditures, if accepted and approved, will be cost-shared with CMHC and the Province based on various program-funding formulae. Requests for funding of the repairs will be included in annual budgets and reimbursed based on actual costs incurred.

Expenditures and Revenue by Program
Year Ended March 31, 2001

Schedule 1

	Federal / Provincial Cost Shared					Wholly Provincial Cost			Total
	—Directly Managed— Cost share 75/25 (s79)	Cost share 50/50 (s82)	Rent supplement (s82(1)(a))	Rent supplement (s82(1)(b))	Non-profit Fed./Prov. Housing (s95)	Group homes	HOMES BC	Other programs	
	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)
Expenditures									
Housing subsidies	$ (37)	$ 11	$ 1,529	$ 6,805	$ 71,127	$ 2,486	$ 27,902	$ 30,830	$ 140,653
Salaries and labour	9,228	2,718	384	516	1,523	1,420	2,733	1,425	19,947
Building mortgage costs	7,566	5,424	–	–	–	–	–	–	12,990
Building modernization and improvement	6,483	3,453	87	–	6,840	464	569	1,129	19,025
Building maintenance	3,435	1,407	118	97	1,075	726	883	314	8,055
Utilities	5,996	1,593	96	–	651	476	103	156	9,071
Operating expenses	2,494	970	154	(46)	521	74	(330)	235	4,072
Office and overhead	1,547	489	88	367	1,064	534	1,044	811	5,944
Grants in lieu of property taxes	2,471	1,128	19	–	424	281	211	207	4,741
Interest expense	65	13	24	15	260	–	–	3,415	3,792
	39,248	17,206	2,499	7,754	83,485	6,461	33,115	38,522	228,290
Revenue									
Provincial contribution	5,157	4,538	1,025	4,034	28,751	4,494	31,906	31,992	111,897
Federal contribution	14,554	5,193	1,046	3,711	53,381	–	–	1,409	79,294
Tenant rent	19,338	6,729	411		1,362	29	1,673	522	30,064
Sundry	241	98	21	1	18	1,925	123	4,617	7,044
	39,290	16,558	2,503	7,746	83,512	6,448	33,702	38,540	228,299
Excess of revenue over expenditures	$ 42	$ (648)	$ 4	$ (8)	$ 27	$ (13)	$ 587	$ 18	$ 9

Financial Statements
March 31, 2001 and 2000

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AUDITORS' REPORT

Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

To the Shareholders of the
Provincial Rental Housing Corporation

We have audited the balance sheet of the Provincial Rental Housing Corporation (the "Corporation") as at March 31, 2001 and the statements of revenue and expenditures and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a consistent basis.

Grant Thornton LLP

Vancouver, Canada
May 8, 2001

Chartered Accountants

Statement of Management Responsibility

The financial statements of the Provincial Rental Housing Corporation (the "Corporation") have been prepared by management in accordance with Canadian generally accepted accounting principles, consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements.

Management depends upon a system of internal controls that provide reasonable assurance, on a cost-effective basis, that the financial information is reliable and accurate.

The Audit and Finance Committee, which is comprised of directors of the British Columbia Housing Management Commission, oversees management's discharge of its financial reporting responsibilities. The committee meets periodically with management, the internal auditors and the external auditors to discuss auditing, financial reporting and internal control matters. Both internal and external auditors have access to the Audit and Finance Committee without management's presence.

Shayne Ramsay
Director

Irene Young
Director

May 8, 2001

Balance Sheet
March 31

	2001 ($000's)	2000 ($000's)
Assets		
Investment in properties (Note 3)	$ 370,712	$ 336,645
Due from British Columbia Housing Management Commission (Note 4)	–	204
Debenture subsidy receivable	1,843	1,843
Cash	1	1
	$ 372,556	$ 338,693
Liabilities		
Long-term debt (Note 5)	$ 142,353	$ 143,120
Interest payable	755	765
Unearned lease revenue	94,941	91,388
Funding in advance of construction (Note 6)	2,054	4,577
Due to British Columbia Housing Management Commission (Note 4)	31,225	–
	271,328	239,850
Shareholder's equity		
Share capital		
Authorized		
10,000 common shares, no par value		
Issued		
3 common shares at $1 each	–	–
Contributed surplus	82,441	82,441
Property acquisition contribution (Note 7)	16,469	19,023
Accumulated operating surplus (deficit)	2,318	(2,621)
	101,228	98,843
	$ 372,556	$ 338,693

On behalf of the Board

Director

Director

See accompanying notes to the financial statements

Statements of Revenue and Expenditures and Deficit
Years Ended March 31

	2001 ($000's)	2000 ($000's)
Revenue		
Directly managed debenture subsidy	$ 7,372	$ 7,372
Group home mortgage subsidy	9,571	8,227
Lease revenue	1,968	2,509
	18,911	18,108
Expenditures		
Depreciation	4,441	5,274
Interest on long-term debt	9,531	9,553
	13,972	14,827
Excess of revenue over expenditures	4,939	3,281
Accumulated deficit, beginning of year	(2,621)	(5,902)
Accumulated operating surplus (deficit), end of year	$ 2,318	$ (2,621)

See accompanying notes to the financial statements

Balance Sheet
March 31

	2001 ($000's)	2000 ($000's)
Assets		
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Accumulated operating surplus (deficit), end of year	$ 2,318	$ (2,621)

See accompanying notes to the financial statements

Statement of Cash Flows
Years Ended March 31

	2001 ($000's)	2000 ($000's)
Cash flows provided by (used in)		
Operating activities		
Excess of revenue over expenditures	$ 4,939	$ 3,281
Adjustments to determine cash flows:		
Depreciation	4,441	5,274
Change in non-cash working capital	3,543	2,788
	12,923	11,343
Investing activities		
Property acquisition	(38,508)	(10,668)
Term deposits	–	1
	(38,508)	(10,667)
Financing activities		
Funding in advance of construction	(2,523)	116
New financing	6,123	6,128
Long-term debt repayment	(6,890)	(1,951)
Property acquisition contribution (Note 7)	(2,554)	(1,647)
Due to/from British Columbia Housing Management Commission	31,429	(3,322)
	25,585	(676)
Increase in cash	–	–
Cash, beginning of year	1	1
Cash, end of year	$ 1	$ 1

See accompanying notes to the financial statements

Statement of Cash Flows
Years Ended March 31

	2001 ($000's)	2000 ($000's)
Cash flows provided by (used in)		
Operating activities		
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Increase in cash	–	–
Cash, beginning of year	1	1
Cash, end of year	$ 1	$ 1

See accompanying notes to the financial statements

Notes to the Financial Statements
March 31, 2001 and 2000

1. General

The Provincial Rental Housing Corporation (the "Corporation") was incorporated under the Company Act of the Province of British Columbia in 1961. The Corporation is wholly owned by the Province, and is an agent of the Crown.

The Corporation holds property for social and other low-cost housing for the Province. It also holds land under long-term leases to non-profit societies. The subsidized rental housing units of the Corporation are managed and operated by the British Columbia Housing Management Commission (the "Commission"), which records the related rental revenue and is responsible for all of the operating and administrative activities and related costs.

2. Significant accounting policies

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment in properties

The Corporation capitalizes its investment in properties at cost and depreciates its buildings on the straight-line method over 25 years.

Property leases

The Corporation leases property used for housing projects to non-profit societies. These 60-year leases are prepaid by the non-profit societies when the housing projects are completed and ready for occupancy. The Corporation amortizes the lease revenue over the term of each lease and records the unearned portion as unearned lease revenue.

Property Acquistition Contribution

For some social housing projects and group homes, the Province provides grants to the Corporation for a portion of the construction costs. The Corporation records the construction grants as property acquisition contribution when the projects are completed.

From time to time, the Corporation disposes of property purchased for social housing projects that cannot proceed due to difficulties with the site. The proceeds from these sales are applied against the cost of purchasing alternate sites. Any surplus or deficiency is credited or charged to property acquisition contribution.

Financial instruments

The Corporation's financial instruments consist of cash and equivalents, accounts receivable and payables. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying values.

Notes to the Financial Statements
March 31, 2001 and 2000

3. Investment in properties

	Cost	Accumulated depreciation	2001 ($000's) Net book value	2000 ($000's) Net book value
Land	$ 292,368	$ –	$ 292,368	$ 264,575
Buildings	154,696	79,671	75,025	71,458
Construction in progress	3,319	–	3,319	612
	$ 450,383	$ 79,671	$ 370,712	$ 336,645

4. Due to/from British Columbia Housing Management Commission

Amounts represent funds advanced for the acquisition and development of properties under social housing programs.

5. Long term debt

	2001 ($000's)	2000 ($000's)
CMHC Debenture mortgages repayable at the end of each year, over terms of up to 50 years maturing between the years 2004 and 2025, bearing interest at rates from 6.023% to 8.20%, and secured by unregistered first mortgages on properties of the Corporation	$ 41,066	$ 41,641
Chartered banks and CMHC Mortgages repayable monthly over terms of up to 35 years, bearing interest at rates from 5.0% to 8.3%, and secured by registered first mortgages on properties of the Corporation	101,287	101,479
	$ 142,353	$ 143,120

The aggregate principal repayments required in each of the next five fiscal years is estimated to be as follows:

	($000's)
2002	$ 20,821
2003	23,862
2004	23,488
2005	24,965
2006	17,587
Thereafter	31,630
	$ 142,353

Notes to the Financial Statements
March 31, 2001 and 2000

6. Funding in advance of construction

This balance represents construction funding received by other Provincial ministries in advance of property acquisition and construction of non-profit housing and group homes. Interest does not accrue on funds received.

7. Property acquisition contribution

	2001 ($000's)	2000 ($000's)
Balance, beginning of year	$ 19,023	$ 20,670
Net proceeds on property replacements	406	165
Net receipts from the Province	775	1,924
Repayments to the Province	(3,735)	(3,736)
	$ 16,469	$ 19,023

8. Related party transactions

a) Insurance

The Corporation does not insure its rental housing properties. Instead property losses are compensated for by the Province through the Commission and, for certain properties, by Canada Mortgage and Housing Corporation ("CMHC").

b) Directly managed debenture subsidy

Directly managed debenture subsidy represents funds received from the Commission for the principal and interest costs of the long-term debt related to directly managed properties.

c) Group home mortgage subsidy

Group home mortgage subsidy represents the funds received from the Commission for mortgage payments to chartered banks and CMHC.

d) Administration and financing

The Commission acts as agent in administering and financing the operations and capital projects of the Corporation. No administration costs are charged to the Corporation for such services performed.

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Information about BC Housing and affordable housing issues
is available on the Internet at

www.bchousing.org